All human

Digital Pulse 2024

The last mile: the role of digital innovation
in reshaping the delivery experience

Table of contents

Introduction

When we first set out to explore the last mile, it quickly became very apparent that this step in the online buying journey is the Achilles heel of eCommerce. It's costly, involves multiple players, and is subject to the fickle and sometimes unrealistic expectations of an increasingly discerning shopper, exposing the vulnerabilities of online shopping and **presenting retailers and delivery companies with profound challenges and significant opportunities**.

However, unlike Achilles, key eCommerce players, like retailers and delivery companies, can turn this weakness into an advantage. **There is ample scope and potential to improve this critical juncture, make it impenetrable, and protect and secure their business**. Currently, investment in accomplishing this is prolific, with big names like Amazon and DHL pursuing the common goal of making the individual's experience of receiving an online purchase the best it can be.

And that's what got us interested. **All human prioritises the end user experience because that's where we believe the focus should always be**. Over the past 11 months, we have been busy. We completed in-depth consumer research, which included surveying 1,000 people in the UK and 1,000 in Ireland about their experiences both receiving online purchases and the returns process. We also completed interviews and additional research with shoppers in both markets that took a broader view and included questions about online shopping preferences.

As we talked to shoppers, we quickly realised that they have a lot to say about shopping online, which they see as an experience loaded with emotions and tangible practical considerations.

Listening to real shoppers is the only way brands can truly understand and shape a last mile delivery experience that satisfies and nurtures customer loyalty.

This report examines what we heard and untangles the multiple threads to provide organisations with **clear, innovative and commercially viable recommendations**.

John Mitchell, CEO, All human

Methodology

In Sept/Oct 2023, we surveyed 1,000 respondents across the UK and 1,000 across Ireland. Respondents filled out 15 survey questions directly relating to the delivery experience of online shopping. This is Group 1, and all of the data illustrated in graphs herein refers to these cohorts.

In addition, earlier in the year, we surveyed 613 people across the UK who answered 27 questions that covered the online buying journey. We will refer to this cohort as Group 2 within the report.

We also conducted 12 in-depth interviews, asking a series of questions about their thoughts and experiences with online shopping. The customer quotes used throughout the report were gathered from these sessions.

Surveys

Group 1

1000 people across Ireland
1000 people across the UK
15 survey questions

Group 2

613 people across the UK
27 survey questions

In-depth interviews

12 in-depth interviews in Ireland

Executive summary

The dominant theme emerging from all the responses is that **human interaction** is missing from today's online shopping experience. Consumers crave the intimacy of the in-store experience but want the convenience and choice offered by eCommerce. Shopping online is a solitary activity, and while improvements made possible by technology and artificial intelligence, in particular, have elevated the experience beyond click and pay, it is all somewhat functional and stripped of the emotional high present in the real world.

However, this is where the opportunity lies. When retailers and carriers leverage innovation and technology to evolve the delivery stage of the last mile, they should use it to convey a sense of connection, to build on and further establish a relationship with each customer who wants to know that someone is paying attention to their needs and is taking care of them in the way a salesperson would in a physical shop.

Creating this "connection" is possible if the experience is designed around clear and open **communication**, gives shoppers back **control** over when and where they will receive their purchase and makes **convenience**, especially around returns, a priority.

"**Your most unhappy customers are your greatest source of learning.**"

- Bill Gates, Microsoft

Key findings

Our research highlighted that customers want a convenient delivery experience that gives them some control over location and timing and offers a way to facilitate more interaction and contact.

45%

are willing to pay for next day delivery

49%

being able to choose the time and date of delivery would make them more likely to make a purchase

61%

want to receive delivery updates via email

84%

would be more likely purchase a product with free returns*

36%

expect to be informed about their scheduled delivery day and time once the order has been shipped

53%

want to see real-time updates of their package in their shipping update email

69%

customer support is one of the most important factors when returning an item bought online

44%

knowing the delivery company would positively impact their decision to purchase*

35%

want to receive real-time updates at every stage of the delivery cycle

*Group 2: 613 people surveyed across the UK
Rest of the data is Group 1

What you will learn from this report

01

The delivery factors that influence a person's decision to buy

02

How customers feel about their current delivery experiences (DX)

03

In-depth analysis of customers feedback

04

Actionable insights for improving your customer's experience (CX) now and in the long term.

Section 2

The evolution of eCommerce

Is eCommerce still the key to securing retail's future?

Yes.

While post-pandemic, we did see a return to bricks and mortar, consumers are showing that they want variety. It's not always an either-or; **it's about having a choice.**

In-store	Online	Click & collect

However, the **commercial opportunities** that online shopping presents for brands are huge.

Forrester has forecast that the combined online retail sales in Europe-5 countries will **increase to €553 billion** in 2027 at a five-year CAGR of 9.3%.[1]

In the UK, 80% of the population participates in eCommerce,[2] or over 4 in 5 consumers are online shoppers. While in Ireland, the eCommerce market is **expected to show an annual growth rate of 10.5% by 2027.**[3]

In other words, online shopping is now so intertwined with retail's future that **it is no longer a separate sector** and is just part of the overall retail business model.

Last mile challenges

However, that does not mean it is without its problems. At 53% of the total shipping costs,[4] the last mile, which is from, a customer's perspective, the most important mile, is the most expensive stage and one that is beset with obstacles that test commercial viability for brands.

Congestion

A recent report from Accenture[5] estimates that the streets of London will carry 1.5 times more delivery vehicles by 2026 than today if the door-to-door model continues. **Across the EU, it is estimated that we'll see a 49% in congestion by 2053.**

Parcel theft

In the UK, **the number of claims for missing parcels jumped by 59%** in the year to June compared with the previous 12 months.[6]

Sustainability

Companies are under pressure from both governments and consumers to switch, if they have not already done so, to greener vehicles. According to one study,[7] the vehicle used for delivery is the second-highest sustainability priority for consumers after packaging. In the UK 50.9% want environmentally friendly vehicles used, while 33.9% want drivers equipped with route planning technology to ensure they complete deliveries in the lowest possible number of miles.

Rising costs

The overall price per mile for haulage and courier vehicles rose 3.9 points.[8] This substantial jump is the **most significant price increase recorded since December 2022**.

"The reason it seems that price is all your customers care about is that you haven't given them anything else to care about."

- Seth Godin

This tells us 3 things:

01

Retailers are under increasing pressure to **meet rising consumer expectations across multiple channels** if they are to continue to attract and retain customers.

02

Consumers are now in the offence position, and delivery, aka the **last mile, is the new battleground**.

03

Delivery companies and retailers can differentiate themselves and beat the competition if they **win at the doorstep**.

Section 3

Owning the delivery experience (DX)

"Clarity at the final mile is what makes the delivery experience positive. Attention to simple detail like giving the buyer visibility of where their parcel is and the ability to track it all along. Retailers, I urge you to proactively offer shoppers the trackability and constant visibility of their parcels. Lastly, offer choice. Offering a wide set of delivery options means you can satisfy the diverse preferences and profiles of your customers, giving them a "personalised" delivery experience."

— Bobbie Ttooulis, Group Marketing Director, Global Freight Solutions[9]

The doorstep is the new shopping counter

Part of the problem is the existing commercial mindset. Far too many organisations view the last mile as the end of the customer journey. They get caught up with that word last and overlook the fact that, for consumers, it is the start of their experience with their purchase as they wait for it to arrive. It is a time filled with anticipation, excitement and sometimes a little anxiety.

In today's highly competitive marketplace, it is the retailers and delivery companies who prioritise the delivery experience and endeavour to deliver a seamless and personalised buying experience from click to receipt and beyond who will win.

"The first thing I do is I go up to the bedroom, get changed and, and see if the clothes fit me, it's yeah, **kind of a Christmas day feeling** for an adult I guess."

Panic at the doorstep

"It's arrived! **I need to make sure somebody will be home to receive the package**."

"So usually they just ring the doorbell, drop the packages and run.**They never wait, which is completely against protocol.**They should at least confirm that someone picked up the package. By the time I answer the doorbell, they've already gone."

𝕏

emily m @maitlis • Jul 12

Please save yourself the heartache of ever dealing with @ao for electrical deliveries. No show. No delivery. For a fridge that they promised to install two weeks ago. - and confirmed with us four times over the phone on separate calls. Depressing beyond belief

💬 284   ⇄ 152   ♡ 1.5k

Trends

The online buying journey has many steps. This report zones in on three.

01

Purchase

The delivery factors influencing a decision to buy

02

Home delivery

The receiving of the purchase

03

Post-delivery

Returns and complaints (if any)

We also will demonstrate how incorporating **communication**, **control** and **convenience** into the design of your delivery experience will build relationships and establish your brand as the retailer of choice.

01

Purchase

Complete purchase

"**Estimated time of arrival does influence my purchase**. I've looked at different vendors, one of them would deliver in the middle of the next month and I didn't want it, I needed it faster than that. So, the date's very important to me. **I even paid a little more** to this particular vendor because he would deliver within three days."

"**Speedy enough delivery is important to me**. I also think that **free delivery is a big incentive** to make a purchase."

"The advantage with click and collect is that you have more control over what time you can collect, but I would just do it if I were going to be in the area. **If you can get free delivery, it's hard to beat that**, isn't it really?"

Which of the following delievery options, if any, would you be willing to pay for? (Tick all that apply)

Next day delivery

Select delivery time-slot

N/A - not willing to pay

Real-time or advance tracking

Return collection service

Last-minute changes to my delivery options

Not willing to pay extra (standard delivery)

Eco/Sustainable options

None of the above

0   10   20   30   40   50
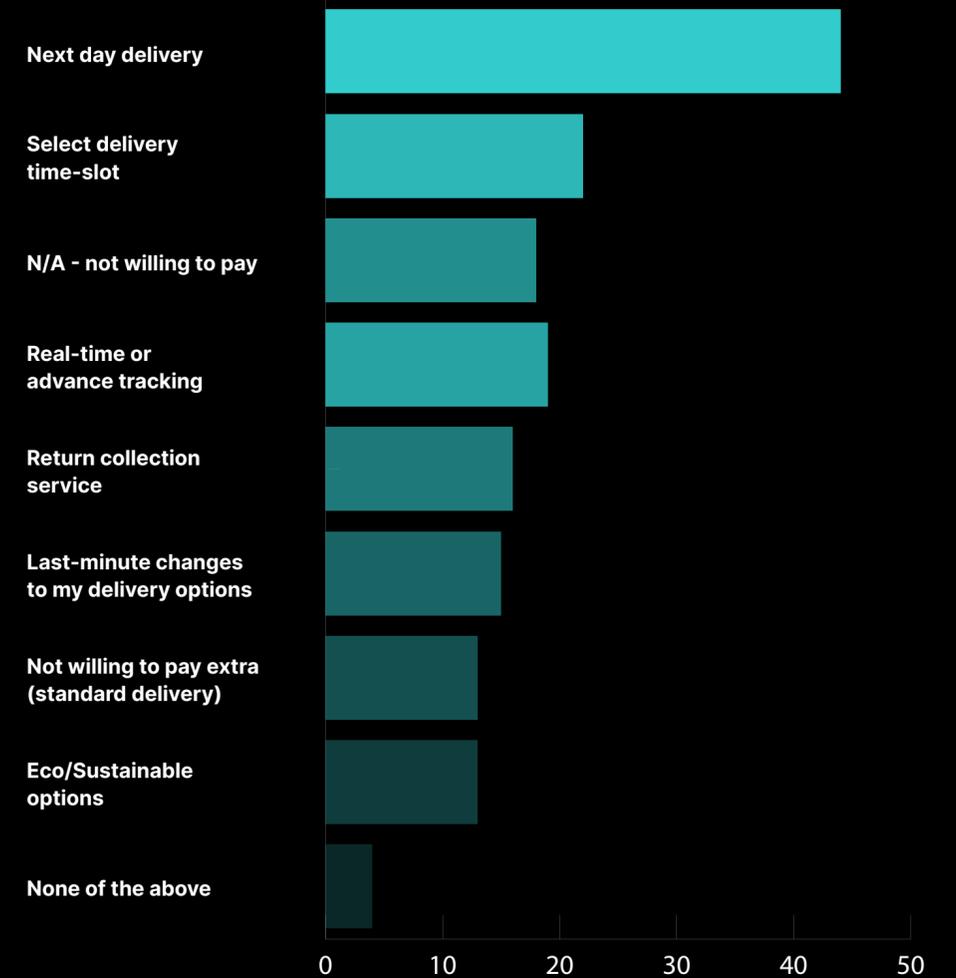
Delivery options drive conversions

Not wanting to state the obvious, but **getting more people to complete the purchase is the ultimate goal**. While factors such as price and quality play key roles, our research shows that consumers do value the types of delivery choices available.

Again, while free delivery is a consumer favourite, consumers are willing to pay for the following:

Next day delivery	**45%**
Select the delivery slot	**22%**
Real-time tracking	**19%**
Not willing to pay for any specific delivery options	**18%**

The option to receive your purchase the day after you pay for it, even if it costs extra, makes for an incredibly convenient shopping experience. **It shows, too, that customers know what they want and are prepared to pay for having that control over their shopping.**

All human recommends

Broaden the delivery options

01

For next-day deliveries, allow customers to select and pay extra for the delivery company based on delivery speed.

02

Consider compensating with a gift or credit if the guaranteed delivery time and date were missed.

03

Share relevant reviews from other customers about your prompt and accurate delivery record.

Test & experiment

01

Conduct A/B testing to determine the preferred delivery methods across products and markets. For example, review the current buying journey focusing on the checkout and experiment to see if changing the options or recommendations increases conversions.

02

Conduct A/B testing to determine the best placement and wording for delivery messaging across your site to ensure customers know the range of options available at every stage of the decision-making process.

How delivery options impact purchase decisions

If they can choose the date and time of delivery, almost half (49%) said this would affect their decision to make a purchase.

Slightly more likely	**28%**
Much more likely	**21%**

While we were surprised that this number wasn't higher, it is still significant and warrants some attention. It does demonstrate that if you want more conversions, it would be beneficial to consider giving shoppers this level of choice and authority over when they will receive their purchase.

It's worth adding that new developments in multi-carrier selection could have an impact on this response in the future.

All human recommends

01
Offer a level of delivery customisation, such as allowing customers to provide special instructions, choose a delivery point (e.g., porch, bin), request a signature upon delivery, or select the nearest/quickest alternate delivery company.

02
Enable customers to switch between delivery methods at any point in their shopping journey. For example, they may start with home delivery and switch to in-store pickup if they are near a physical store.

03
Integrate AI-driven chatbots and virtual assistants to address customer concerns and issues preemptively. For example, provide answers to frequently asked questions about delivery and make recommendations based on customer shopping behaviour.

04
AI can also be used to suggest a subscription model based on delivery preferences if, for example, the customer always places the same order. There is also an opportunity here for order tracking and monitoring and AI to suggest other products in the same line (upsell) or "people who also bought"-type recommendations.

05
Implement voice-activated AI that will answer customer questions about delivery options, for example, around scheduling or cost. This further enhances the CX and accommodates customers with different abilities.

Is the delivery company a factor in purchase decision?

Yes.

When asked if they would be interested in having the ability to choose the shipping company that will deliver your purchase, 44% said it would positively impact their decision to purchase.*

44% said it would positively impact their decision to purchase.

The interesting point from this is that it signals two things: one, there is a potential here for delivery companies to establish themselves as the brand of choice. Two, shoppers see the delivery company as a key player, not just a faceless entity.

"I would usually have a chat with my local postman about the package if something seemed strange with waiting times; he's very good; if there are any issues, he would usually text me or know where to leave something. **I really like An Post and would choose them as the default delivery option if I could.**"

*Group 2

All human recommends

01
Promote delivery **company loyalty** for discounts similar to frequent flyer miles.

02
Provide an option for customers to choose their **preferred delivery method and delivery company.**

03
Expand the current delivery options to include:

- Subscription for delivery service. For example, customer pays a flat fee per year and, in return, gets free delivery, preferred delivery services and/ or free returns for the year on all purchases.

- Subscription for delivery of a frequently purchased item. For example, reduced cost and free delivery for repeat purchases.

- Change of mind window.

Customers show their true colours

Contrary to what many of us are led to believe, consumers are less willing to accept the financial cost of going green. They are concerned and want to see the retailers and delivery companies taking action but are less inclined to foot the bill directly. **Ultimately, consumers appear to be saying that if the retailers and the delivery companies take on the onus** and, by default, pass along their sustainability practices, then that satisfies them.

Green delivery would not have an impact on their decision to purchase.*

51%

Sustainability would have an impact on their decision to purchase a fashion/apparel or product.*

36%

Most customers prefer **sustainable options that are not overly expensive** or do not impact delivery times significantly. Some are willing to pay extra for sustainable packaging or delivery methods, while others are sceptical of such claims.

"If there's a sustainable option that is not super expensive, I'll take it. If there's something local, I'll take it. But it doesn't have to impact me badly financially."

*Group 2

All human recommends

01
Implement a digital communication system between delivery drivers and customers that enables customers to request drivers collect packaging materials promoting recycling and reducing waste.

02
Experiment with showing 'distance travelled to your home' for specific product lines.

03
Develop smart packaging that adapts to the specific product's size and shape, eliminating unnecessary waste. These smart packages could be reusable or easily recyclable, reducing the environmental impact of packaging materials.

04
Introduce carbon calculators during the checkout stage so consumers can calculate the carbon footprint of the delivery of their purchase, and offer them the option to pay extra to offset these emissions.

05
Use a **chatbot/virtual assistant** to provide answers to questions about what is the most environmentally-friendly delivery option.

A new opportunity to grow customer loyalty

Failure to "sell" subscription services?

Overall, a third of respondents are interested in subscription services. However, the mixed results raise the question of how well delivery companies have worked to promote the benefits of signing up for a subscription service.

Very interested	**11%**
Somewhat interested	**25%**

No one will be surprised to see that **free delivery** is the most preferred benefit for signing up for a subscription service.

But it is interesting that there is a desire to reward repeat purchases and establish a preferred carrier.

Free delivery	**44%**
Loyalty discounts	**28%**
Reliable courier	**26%**
Choose specific delivery time slots	**22%**
Guaranteed same-day or next-day delivery	**21%**
Automatic insurance coverage for lost or damaged packages	**19%**

All human recommends

01

Reward repeat customers with loyalty points or incentives to encourage continued use of your delivery service.

02

Add premium features, e.g. delivery time and location change or delivery company selection, to drive sign-up to a subscription service.

03

Build customer loyalty by incorporating a QR code into the packaging that brings customers directly to your brand's site/app and other social media platforms to share their unboxing experience.

04

Implement a reward system with spot prizes for waiting and delivery drivers, fostering motivation and enhancing the delivery experience for drivers and customers.

Real world example

Amazon uses artificial intelligence to speed up deliveries by minimising the distance between its products and customers. It is using "regionalisation" to ship products to customers from warehouses closest to them rather than from another part of the country. However, to do this requires technology capable of analysing data and patterns to predict what products will be in demand and where.

That's where AI comes in. If a product is nearer to customers, Amazon will be able to make same-day or next-day deliveries, like what its Prime subscription service offers.

In the United States, **more than 76% of the products customers order are now from fulfilment centres within their region**, according to Amazon.[10]

Home delivery

The moment of truth

One of the main drawbacks of buying online is that you have to wait to receive your purchase- there is no instant gratification as in a physical store.

And no one likes to wait.

But, the stress and displeasure at having to wait can be reduced if the shopper feels a sense of control over when they will receive their purchase. Brands and carriers must reshape this part of the customer journey and capitalise on communications such as shipping notifications to make it a positive experience and a feature of online shopping that enhances the thrill and excitement of shopping.

And, of course, there are the personal touches.

66% of Group 2 respondents want the delivery person to ring the bell and hand it to them, with nearly a third wanting them to sign for it as well.

Generally, we found that when customers are at home, they

Want direct communication that their parcel has arrived

Expect the courier to wait for them to answer the door

**Want confirmation of their name before the courier leaves**
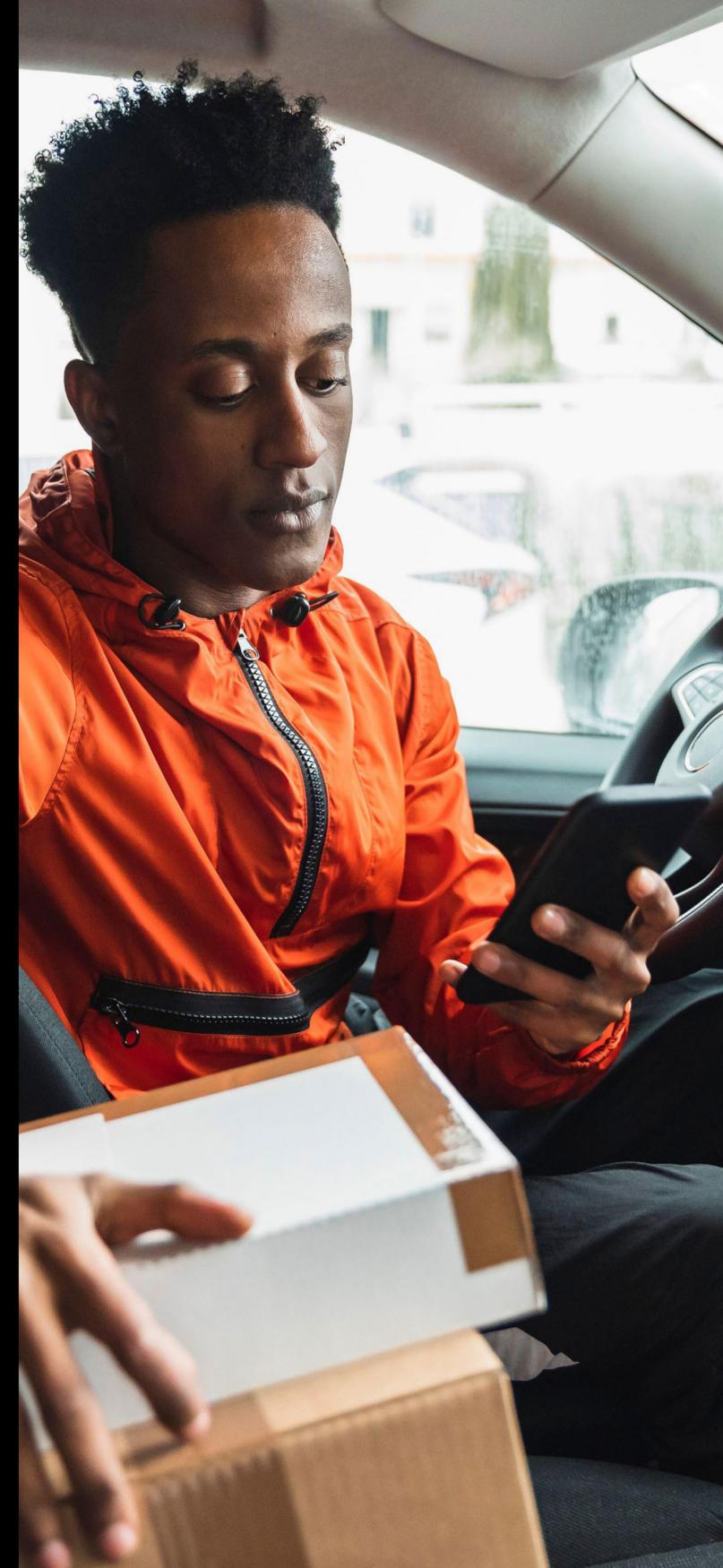
Give customers ownership over delivery time slots

For starters, it's time to respect your customer's time more. So that rather than having them to accept an arbitrary delivery slot chosen by an "other", they get to decide.

Select a specific date and time	**39%**
Choose which time slot	**37%**
Request a specific delivery time range	**36%**
Have the option for weekend delivery	**30%**
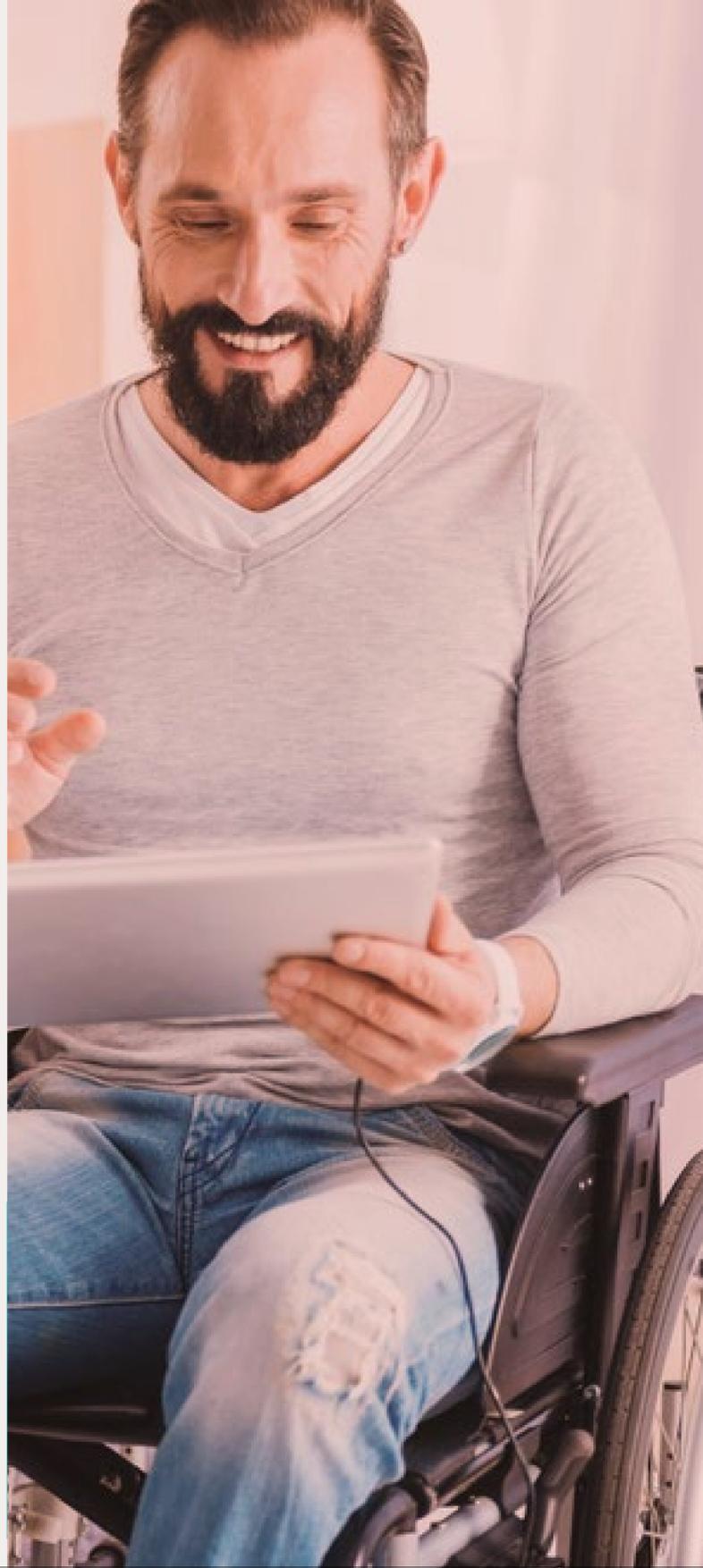
What, if anything, would you expect to be able to do if you could choose a delivery time slot? (Tick all that apply)

Select a specific date and time for delivery	
Choose between morning, afternoon and evening slot on weekdays	
Request a specific delivery time range	
Have the option for weekend delivery	
N/A - I wouldn't expect to be able to do anything specific	
Unsure	

0 5 10 15 20 25 30 35 40

All human research report
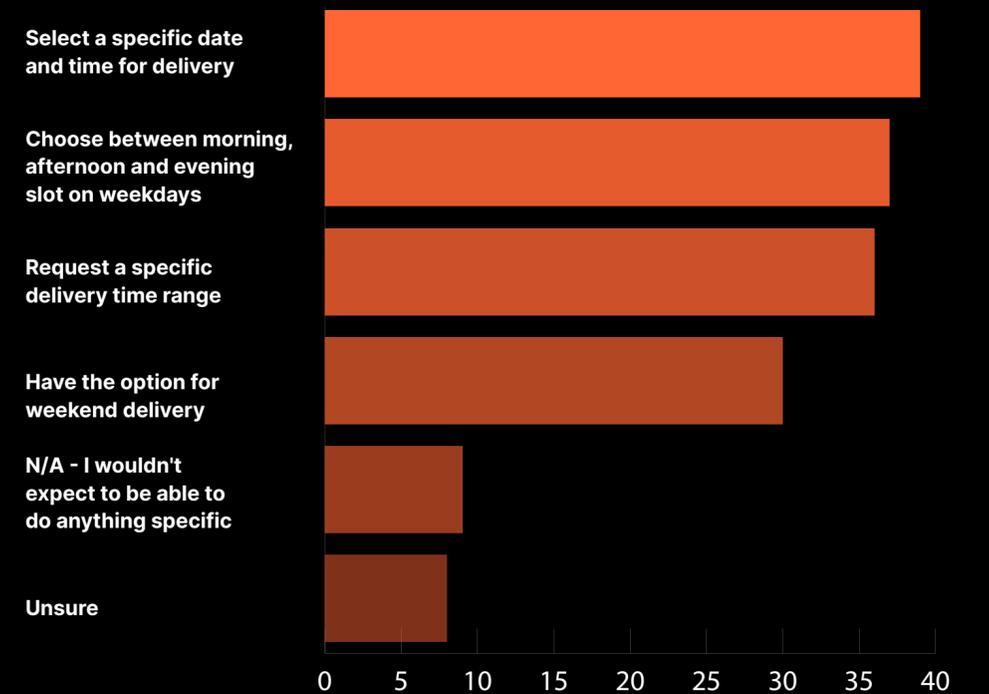
As with all relationships, communication is key

Knowledge is power. Or, at the very least, knowing when your purchase will arrive creates **a sense of control**. Our research confirms that shoppers are keen to have their eyes on the prize and want to have a more proactive part in the relationship.

Having the ability to track their order and know exactly where it is and how its journey is progressing is a must.

Although consumers understand they have to wait before receiving their purchase, it would be beneficial to know exactly when that might be. Reasonably, most shoppers simply want to know when their purchase has begun its journey. However, what is interesting is that quite a few, 26%, want to see this information before they complete their purchase.

After order has been shipped	**36%**
Before checkout/payment	**26%**
In the purchase confirmation email	**23%**
After checkout/payment	**20%**
At every stage of the purchase cycle	**19%**

*Group 2

In the UK*, **92% of respondents are satisfied with the status updates on their delivery and 68% found it easy to track their purchase.**

“**I would track an expensive item** or an item from foreign websites."

“I would check the tracking information regularly if I'm **using a delivery service or website for the first time**.”

All human recommends

01

Design a web and/or app experience that **tailors delivery time slots to each customer's daily schedule and preferences**. This could involve delivering during non-traditional hours to accommodate night owls or early birds, weekday vs weekend, offering ultimate convenience. You can include options such as favourites, preferred pick-up and drop-off points and times.

02

Always be transparent about delivery options available across your site or app so that it helps **encourage sales and increase conversions**.

03

Use **blockchain technology** to create a transparent record of the entire supply chain and delivery process. Customers can track their product's journey from the manufacturer to their doorstep, ensuring authenticity and reducing the risk of fraud.

04

Introduce a **real-time messaging feature** between drivers and customers, creating a more personalised and interactive experience, such as alternative delivery options like "leave in a safe place" or "leave it with my neighbour".

Email is still number one

Somewhat to our surprise the preferred method for communicating shipping updates is **email at 61%**.

The question this immediately raises is whether brands are optimising this contact. Beyond the necessary shipping information, is there potential to use this contact to promote other marketing opportunities or get valuable customer feedback and suggestions on ways to improve the delivery experience?

Update frequency

While no one is advocating for notification overload, it is useful to know when shoppers want to start hearing about the progress of their order.

|	
In real-time at every stage of the delivery cycle	**35%**
Only the day before and on the day of delivery	**25%**
Daily	**19%**
Only if it is delayed or there is a problem with my order	**9%**
Don't want to be informed at all	**6%**

"**It was very easy** - It was through the email. They provided the link with the email and you just have to click on that and it'll put you through to the website for the tracking."

"There was either an email option or a chat function. It was something that allowed for instant communication. I remember there being someone on the other end of the chat line, and you had to wait for their response. They would type something, and then you would type something back. **It made me feel like someone was listening to me**."

"**I was just really looking forward to getting my things 'cause I felt they were all things I urgently needed**. It's still exciting to be waiting for something to come. So I was just looking forward to getting my details and knowing that it was on the way."

If you could choose, how would you like to receive delivery updates? (Tick all that apply)
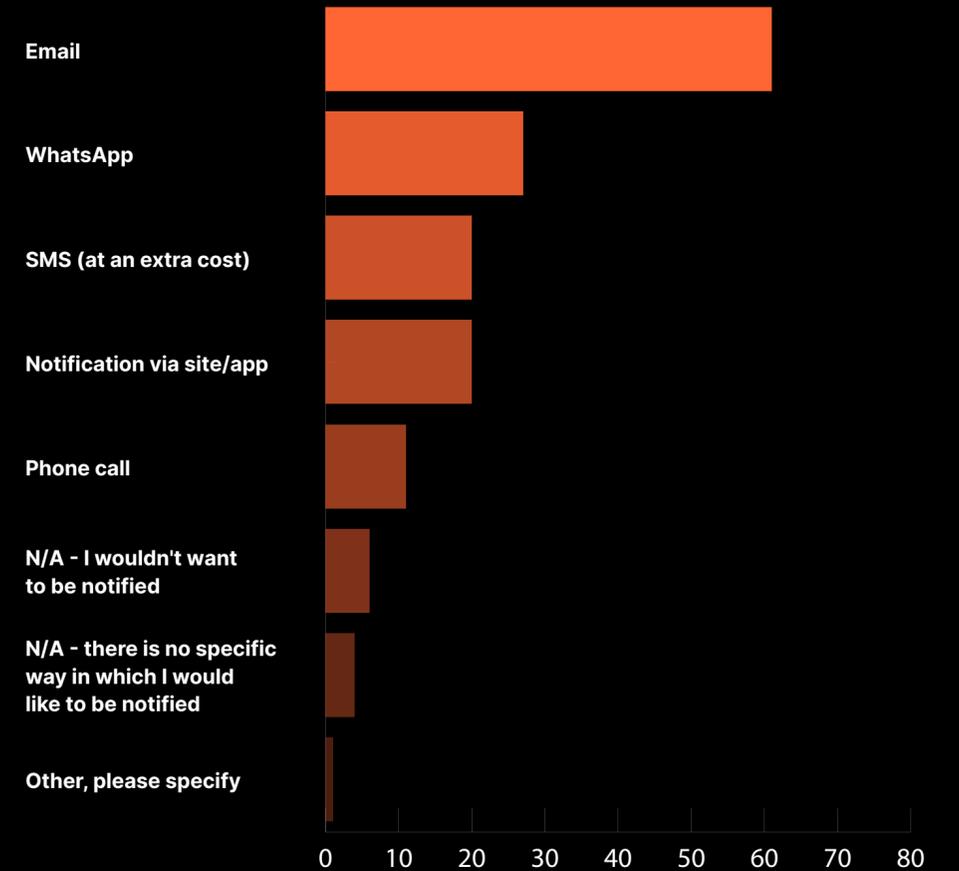
Can tracking notifications track anything else?

Overwhelmingly, shoppers just want to have a line of sight on their purchase.

Again, this is another opportunity for brands to **build the relationship by optimising this communication**. Whether it is providing more information about the returns process or offering discounts on future purchases, the point is that your customer is reading this notification, and therefore, you have their attention.

Consumers are growing increasingly wary about receiving spam or fraudulent communications. Therefore, **taking measures to reassure your customers that the message is authentic is essential**.

Which of the following, if any, would you expect to see in your shipping update email? (Tick all that apply)

Real-time update of their package	**53%**
Information about returns policy and process	**29%**
Images reminding them of the purchase	**18%**
Incentives for future purchases	**17%**
Rating system to express a level of customer satisfaction	**16%**
Information about other similar products for future purchases	**12%**

Only 9% said customise language option and 8% said social media icons for sharing shipping information

All human recommends

01
Promote real-time tracking by offering customers an **interactive map in an app or on your website** displaying the real-time location of their package while it's in transit, improving transparency and excitement.

02
Use algorithms and machine learning to dynamically optimise delivery routes based on real-time traffic, weather, and other factors. This would ensure the quickest and most efficient deliveries, minimising delays and reducing the environmental impact.

03
Introduce **Internet of Things (IoT) packaging**, which would allow users to track where the packages are and the condition of the package.

Life happens: shoppers need to be able to change delivery dates

Overwhelmingly, if shoppers need to change their delivery date, they want to communicate with the delivery company.

Delivery company	**43%**
The brand	**20%**
Marketplace	**16%**
No one specific	**10%**

There is a significant opportunity here for delivery companies to seize this opportunity and provide customers with a highly personalised service.

"My husband is currently working from home, but there are some days when he has to go to work. Unfortunately, it might happen that the delivery falls on a day when he is not at home. That's why we would have to go and pick it up."

All human recommends

01
Provide your customers with **unique QR codes or numbers for secure communication** with delivery drivers, which would also cover messages about where packages have been left if not at home.

02
Introduce an **AI-powered delivery date scheduling** feature that can suggest alternative delivery dates based on customer preferences.

03
Leverage a **self-service AI chatbot** to allow consumers to communicate with brands or delivery companies to accommodate last-minute changes in delivery dates.

04
Enable customers to design their delivery journey, selecting specific experiences, such as drone deliveries or virtual reality tracking.

05
Build a delivery change feature within your app/website. This could also be marketed as a **premium feature to drive sign-up to a subscription model**.

Ownership of delivery location

Life is messy, and changes happen unexpectedly. However, people still want to receive their packages even if the original time slot no longer suits them. While most agree they still want it on the same day- just in a different location- 41% are happy to switch the date and time.

Safe place	**42%**
Alternative date and time	**41%**
Leave with neighbour	**37%**
Pick up point	**29%**
Alternative address	**21%**

All human recommends

01
Use AI algorithms to **predict the most convenient location** for customers to receive deliveries based on their real-time location data, increasing first-time delivery success rates.

02
Customise the pick-up and drop-off points based on the **customer's previous preferences**.

03
Use advanced biometric authentication methods, such as retina or fingerprint scans, for **ultra-secure delivery confirmation**. Customers will feel that their deliveries are highly protected and personalised.

04
Update the website/app with features including **"favourites" for alternate delivery**.

Real world example

DPD offers customers MyDPD, a free online service for account holders that allows them to create shipments, arrange collections, track consignments, rearrange deliveries and more.
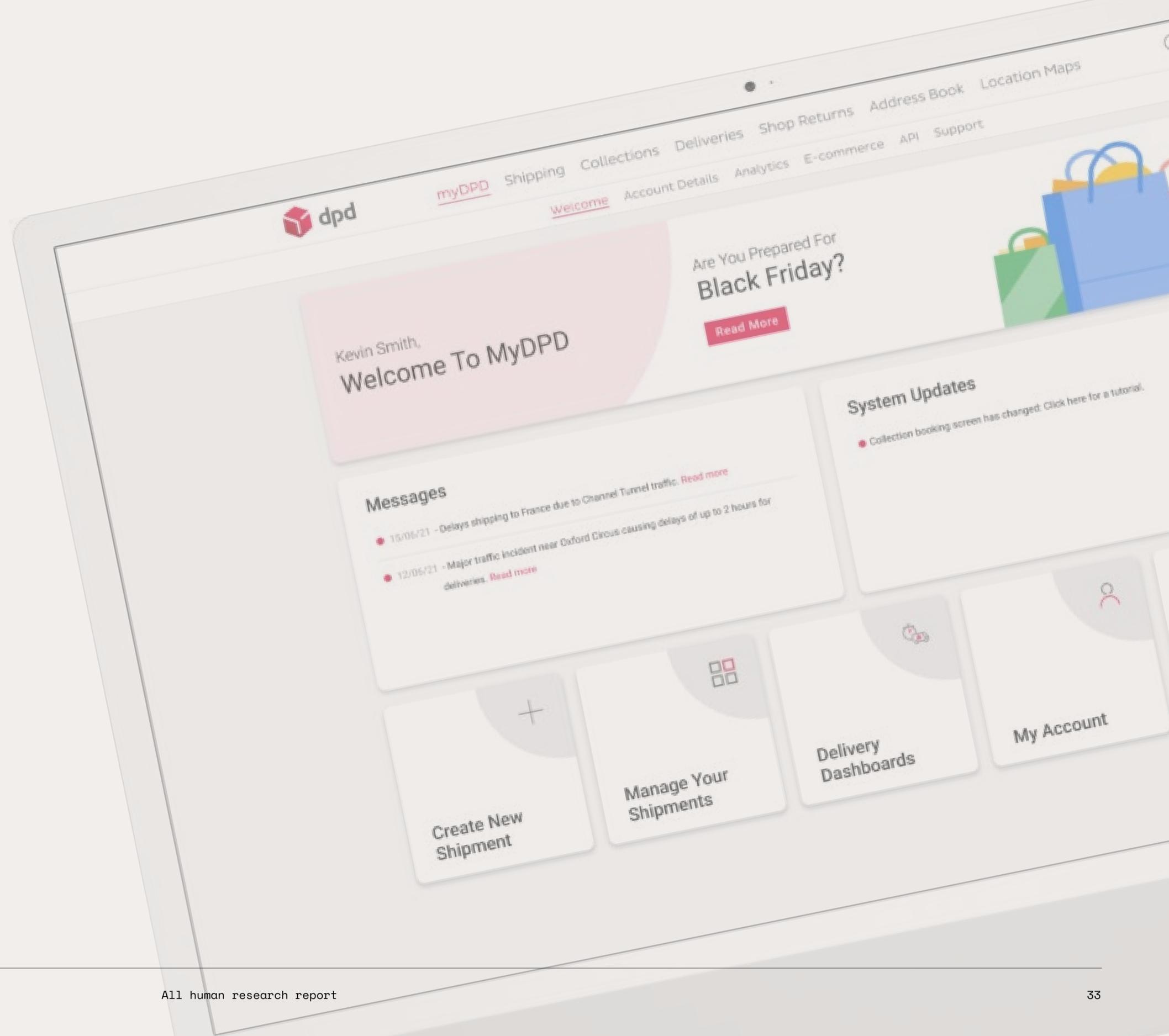
Post-delivery

"From a CX perspective, the inconsistency continues when it comes to important elements of the returns journey like tracking, refunds, drop-off point access, fees, and more. The elements that retailers found most consensus on were exchanges, which 78% of retailers offer, and return reasons, which 75% of retailers require. The fact that a quarter of retailers are not even attempting to track the reasons for returns (and still more only get patchy or unreliable data about return reasons as a result of paper-based processes) demonstrates just how much could be improved by wider adoption of digital solutions."

— The Doddle Report [11]

The problem with returns

Returns represent a big issue for brands, costing UK retailers an estimated £5.2 billion[12] a year on average.

One of the biggest issues is that, unsurprisingly, customers don't want to have to pay for them. This assumption that retailers will continue to cover the cost of returns is beginning to shift, with brands like ASOS and Next in the UK charging customers for the cost of fast fashion returns. The sustainability problems associated with returns, with many items being destroyed or entering the waste system, are also becoming an environmental issue.

84% would be more likely to purchase a product with free returns.*

While initially, brands were more than happy to offer such a service in a bid to attract customers and compete with the likes of Amazon, the reality has set in, and most are now pushing back.

There is some good news: **58% of respondents found it easy to return their product and 90% are satisfied with the customer service.***

"Having to print the return label would discourage me from ordering clothes in the website. I would have to find a place to print, which would only add to the inconvenience."

*Group 2

How important are the following factors to you when returning an item you've bought online?

Factor	Value
Free returns	~75
Customer support	~68
Return-ready printed label	~68
Return tracking	~66
Return-ready packaging	~65
In-store returns	~64
Collection service	~63
Extended returns window	~57
Digital returns solution	~55

0 10 20 30 40 50 60 70 80
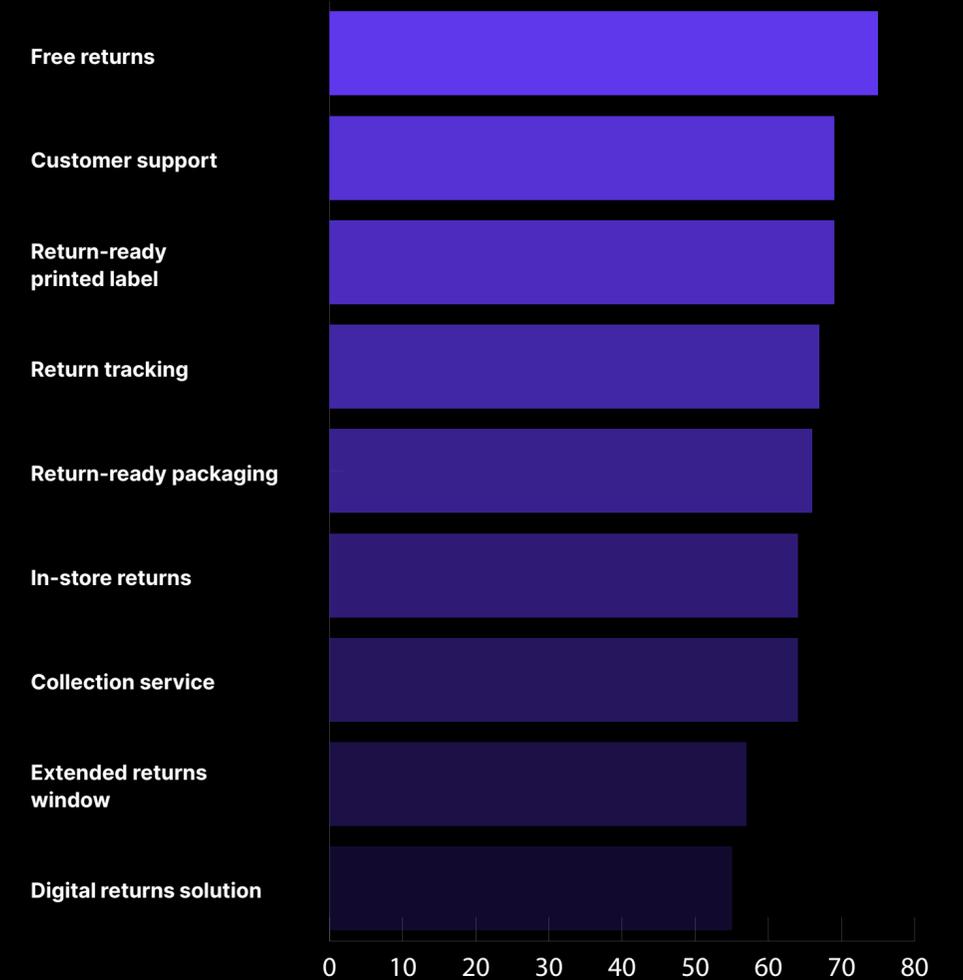
What does a good returns experience look like?

As much as returns are a problem for retailers, for customers, they are equally frustrating and can be a time for apprehension around whether the money will ever get back into their account.

In short, customers want convenience. **Make the return process as frictionless as possible** is the message from customers. In addition to making them free, shoppers also want the returns label and packaging included.

The 4 essentials of a great returns experience

No printing of labels is required

Notification of return and refund sent to customer

Seller uses reliable and trustworthy collection services

Clear instructions on the website - especially for international returns

All human recommends

01
Invest in **digital returns experiences** using smartphone cameras combined with AI, where the user can scan and trigger a returns task by simply pointing at the label.

02
Provide **clear product descriptions and size charts** to minimise the chances of needing to return an item.

03
Be very clear and illustrate at each stage of the buying journey what your **returns policy** is.

04
Eliminate return labels. Instead, provide customers with a unique code, which is connected with a delivery company that will come and collect the package.

05
Install smart return bins in neighbourhoods, allowing customers to easily return items without needing to package them. These bins would automatically sort and process returns.

06
Collaborate with local businesses and shops to create shared delivery hubs, drop-off or "pick-up points." Customers can choose to collect/return their orders from these convenient, community-based locations, reducing the number of home deliveries.

07
Offer flexible packaging which can be reversed or altered to reuse for returns.

How well are collection services going?

Overall, those using collection services are generally happy.

Extremely positive	**14%**
Somewhat positive	**36%**
Neither positive or negative	**23%**
Never used collection services	**13%**
Somewhat negative	**6%**

However, what is interesting is that 13% have never used them. Is the reason for this a **lack of awareness about the service?**

An Post, Ireland's national postal service, offers a **Book a Return service**. Customers can leave the item at their nearest parcel locker, return it to a post office or have it picked up by their post person.

Community role in missed deliveries

Life happens; sometimes, a package is delivered, and the recipient is not home. What then?

Expectations when customers are NOT at home:

Shoppers want to be informed when and where their package is delivered. However, they have preferences regarding the location, with many relying on their neighbours.

| 31% want it to be hidden in a safe place*
| 28% want it to be dropped into a neighbour*
| 20% want it to be left on the front porch*

*Group 2

All human recommends

01

Offer a **flexible pick-up service**, allowing customers to choose their preferred carrier for return shipments.

02

Reward repeat customers with free return services, encouraging long-term loyalty and hassle-free returns.

03

Enable customers to use an **interactive map** to track returned items.

04

Have **clear policies** about how long payments for returns will take to process and ensure the customer is notified once the return is complete.

05

Follow up with **communication after delivery** to gather customer satisfaction with your brand and specifically with their delivery experience. Then, share the positive reviews on your channels to encourage more conversions.

"I want to speak with the manager"

What happens when the item is delivered, and it's damaged, or it never arrives at all? Customers want to contact:

The seller	**38%**
Both seller and delivery company	**34%**
The delivery company	**21%**

From a customer's perspective, the onus for damaged or lost packages falls on both, especially with the seller. And when it happens, shoppers want to email with their issues. Surprisingly, the second preferred option was to call and chat with an agent. **This suggests that shoppers wish to speak with a human, connect with someone, to resolve their issue.**

Email	**31%**
Phone	**21%**
Chat with an agent	**13%**
Website	**9%**

All human recommends

01
Leverage **AI self-service chatbots** to answer queries and analyse consumer emotions, allowing customers to lodge complaints and get a resolution and for the AI tool to answer appropriately based on questions.

02
Provide the relevant contact information for **every stage of the delivery journey**, and include returns to reduce wait times and customer frustration.

03
Use data analytics and predictive AI to anticipate customer support needs. Reach out to customers with solutions or assistance before they even contact you about a problem.

04
Provide a **unified and consistent customer support experience** across your multiple channels -web, app, phone, chat, and social media.

Real world example

Amazon offers a variety of ways to make a return without any stress. At least one (usually more) option is always offered for free, and Amazon customers in the UK are often close to a label-free, box-free return drop-off point. Some returns do not need to be packaged or labelled – they've got that covered.

amazon
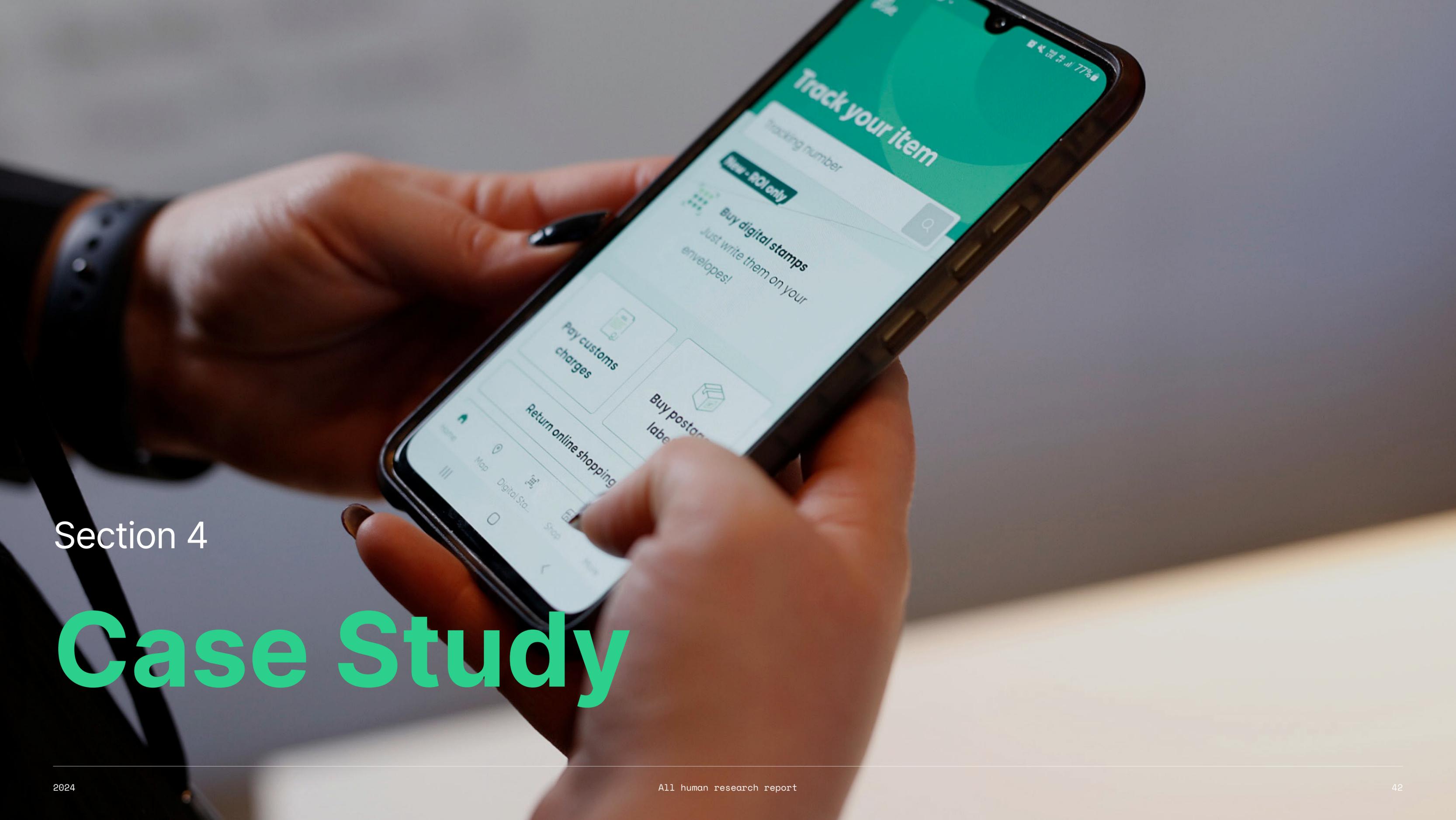
Section 4

Case Study
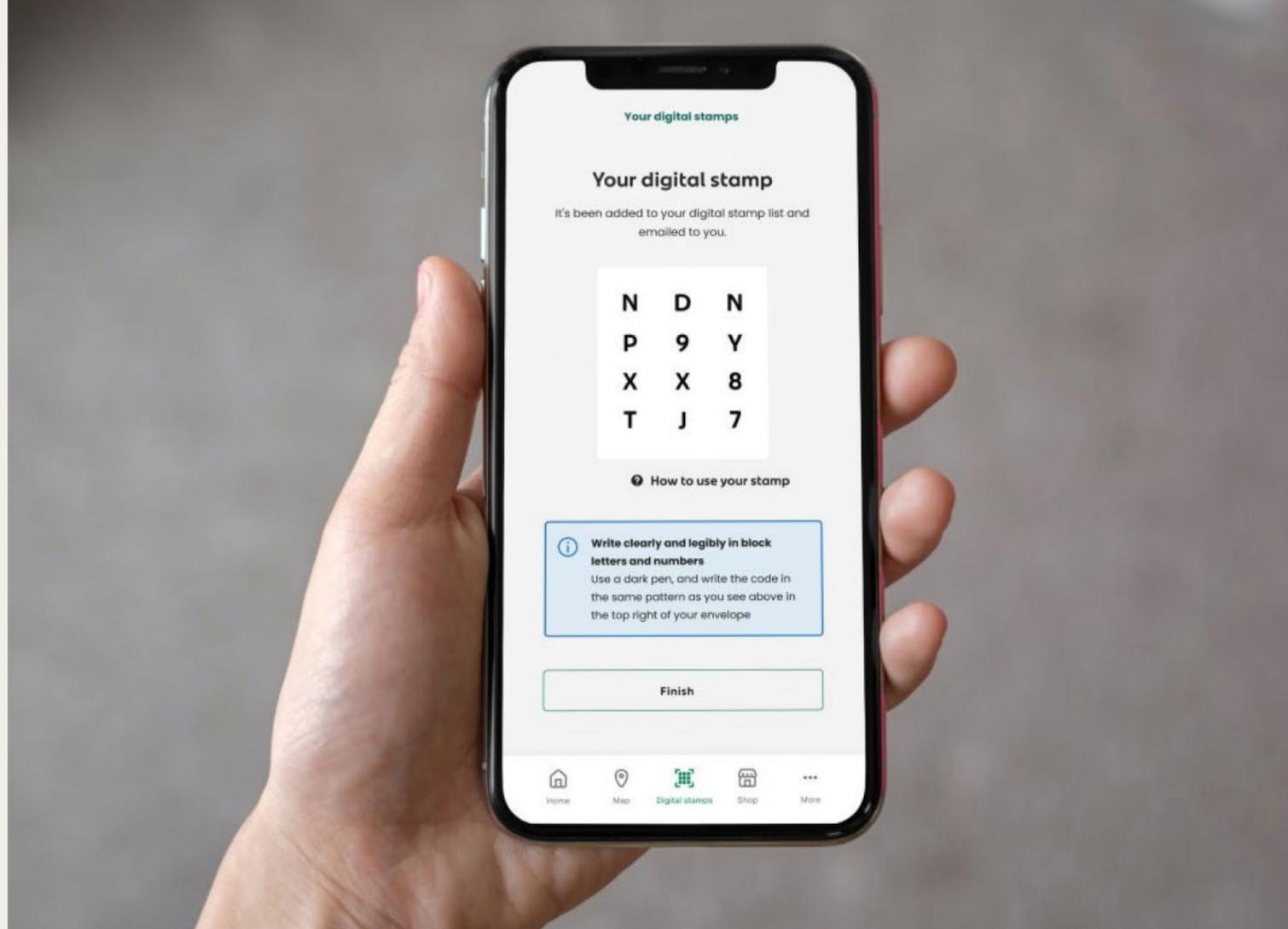
An Post and the digital stamp

An Post is Ireland's national postal service. As its digital partner, All human has worked with An Post for several years, and together, we are always looking for new ways to use digital to improve the customer experience and introduce new services. COVID's lockdowns and restrictions highlighted some existing limitations around the purchase of stamps.

It was time to rethink the experience.

In October 2022, An Post launched the world's first digital stamp with notification.

It offers customers:

Convenience

People in Ireland can buy a digital stamp and send a letter, card or large envelope anywhere within the Republic of Ireland when and where they choose.

Control

There is a record of all stamps purchased and activity; stamps can be bought and used later.

Communication

Customers are notified once the mail is delivered.

"The best innovations improve our everyday lives. The digital stamp means that people now have access to the purchase of stamps anytime and anywhere. Removing potential barriers and offering greater availability to services solidifies An Post's commitment to delivering a connected customer experience and demonstrates how digital innovation can take the ordinary and make it better."

— Fergal Lawler, Experience Design Director, All human
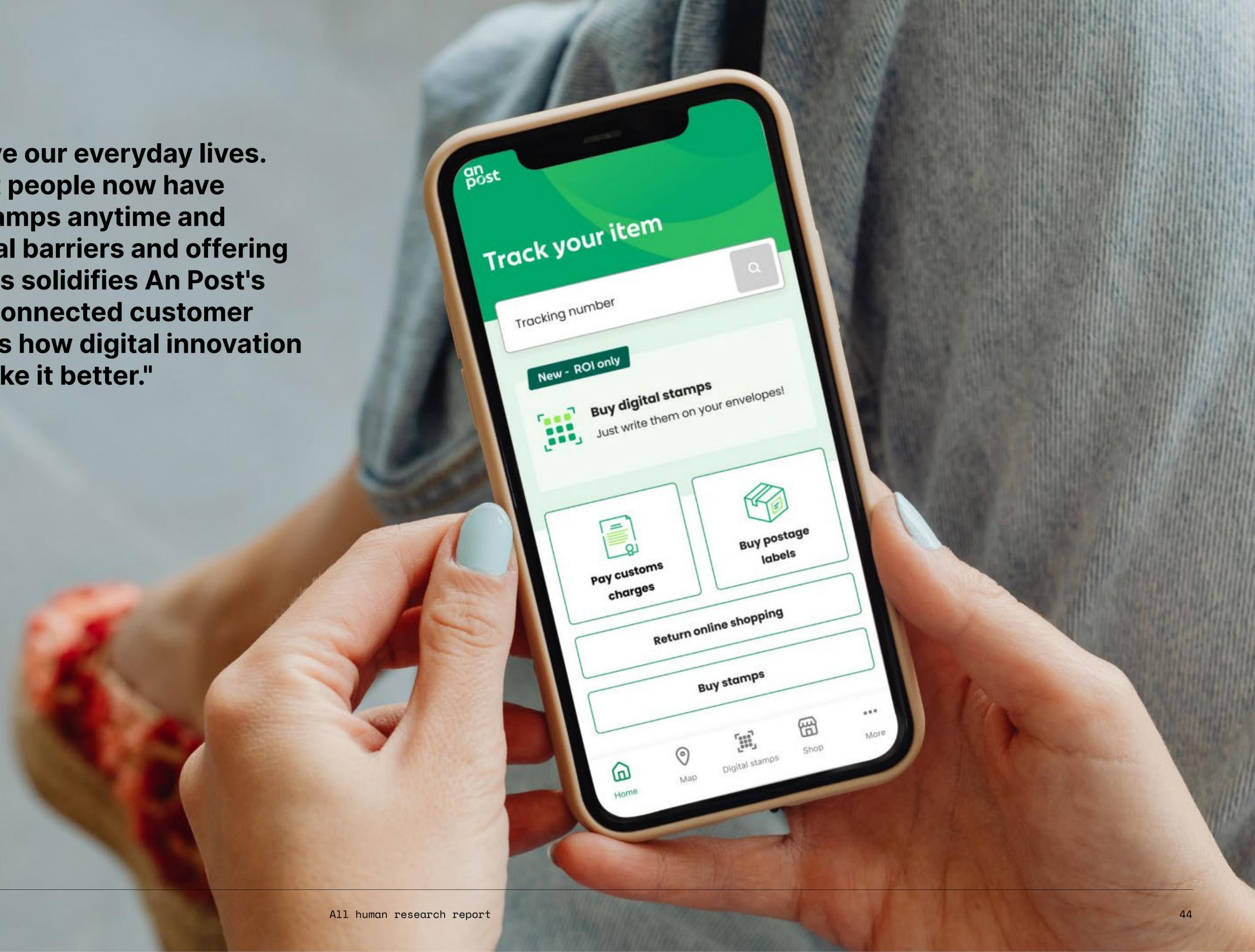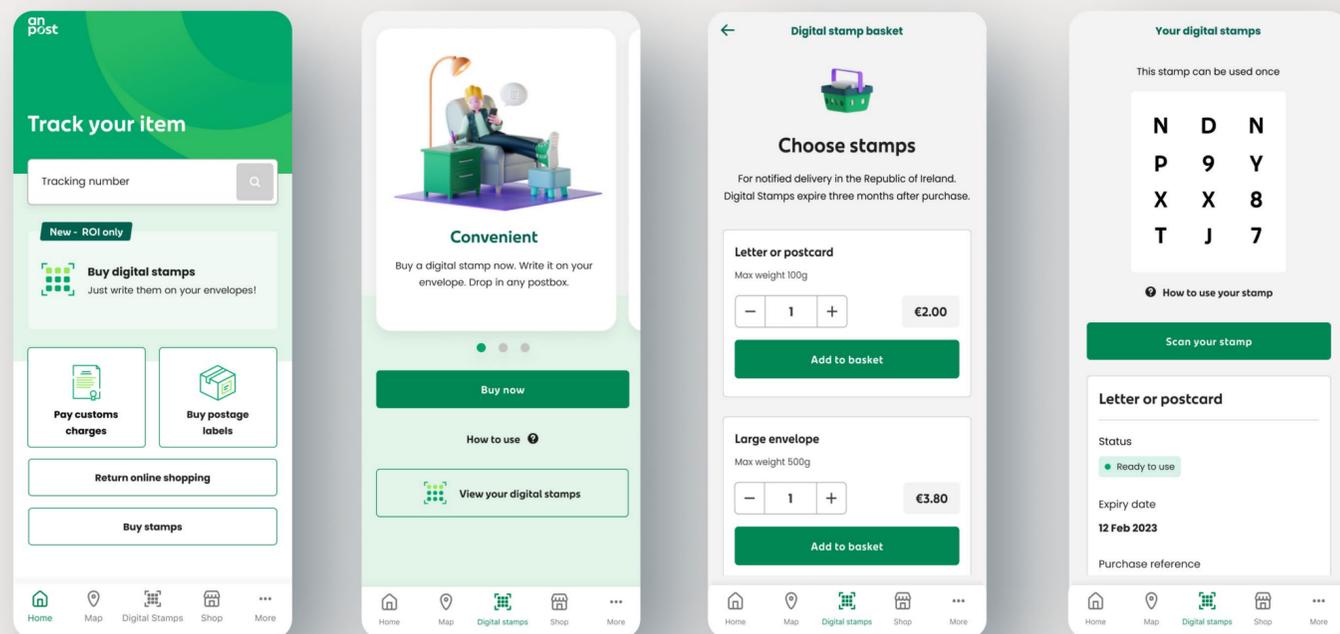
Throughout early conceptualisation, we evaluated what worked best with real end-users. This gave us valuable feedback and insights that we applied to refine both the stamp's design and experience. We created prototypes to simulate real-world usage, which allowed us to test and enhance in an iterative cycle to strengthen the app's overall quality and user experience.

As a national postal service provider, the stamp must be accessible to all customers; we focused on simplifying the system through the 'less is more' design principle, which eliminated information overload and distractions, and allowed the customer to focus on what is essential to the purchase and use of a digital stamp.We wanted the experience to be efficient and easy to encourage repeat purchases.

The stamp is available to anyone with a smartphone. Customers download the app on their phones to purchase a digital stamp and follow the steps. Once they complete payment, they receive a 12-digit unique alpha-numeric code, which they then write onto their envelope or postcard where a traditional stamp usually goes. Once it is dropped into a post box, An Post's letter sorting technology recognises it and processes it for delivery.

This service is unique because when the letter or card is delivered, the sender receives a notification confirming delivery, a world first.

Multiple payment options exist - Apple Pay, Google Pay, and credit or debit cards. In addition, having bought a digital stamp, customers have a record of their digital stamp collection plus a history of any digital stamps they've sent.

All human solution

Outcomes

- An **increase in app downloads**
- A **new revenue stream** from digital stamp sales
- **Positive feedback** from customers who are using the digital stamp successfully
- An **increase in customter satisfaction** due to the delivery notifcations
- An increase in **return customers purchasing additional digital stamps**
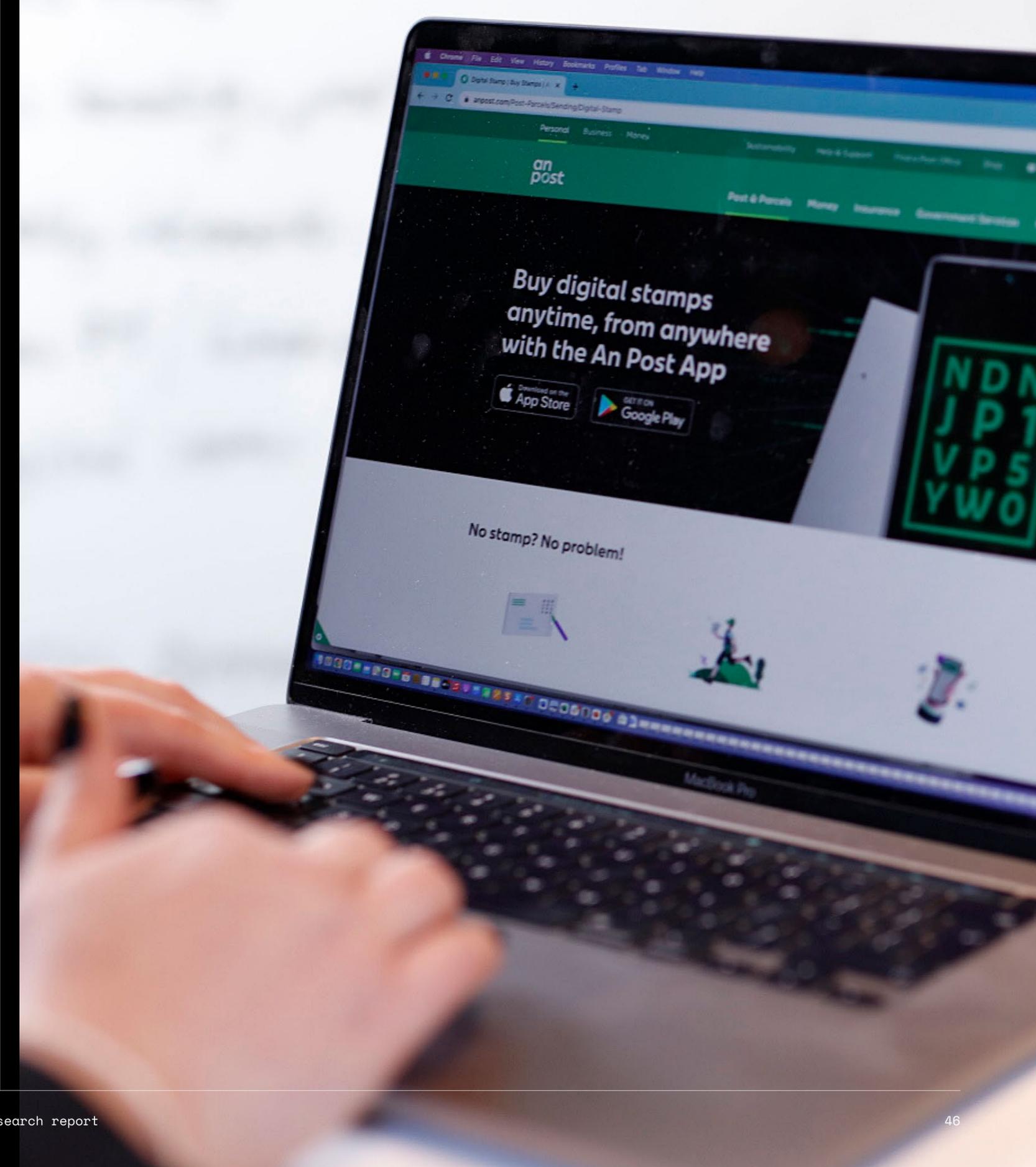
Our research shows that the last mile, while problematic, is also **highly opportunistic**. Consumers are acutely aware that today, they have a choice over with whom they will spend their hard-earned money, and the selection keeps growing. We are all inundated with ads on social media, television, and Google, and that's before we take a step outside. The market is saturated, making it hard to stand out from the competition and attract customers.

One of the drivers of innovation is a desire to improve to remove friction and satisfy more requirements. The current experience of receiving your online purchases is satisfactory, but **there are significant gaps and scope for enhancement**. And so this is where the opportunity lies. Technology, particularly AI, offers previously unimaginable functionality to elevate the delivery experience. The organisations that see the potential and leverage it to establish and nurture a relationship with their customers will be the ones who stand out and thrive.

Fundamentally, it is about making digital shoppers feel connected; the anonymity of a website or app transforms into a personalised salesperson whose goal is to ensure that you get your purchase when you want it, where you want it and who is there to help should any problem arise.

Conclusion

About
All human

All human is a Dublin-based digital agency with a global outlook, specialising in digital strategy, research, design, engineering and performance services for clients in Ireland, the UK and the EU. Our core mission is to drive business growth by creating experiences that people love, and we have been building, enhancing and supporting digital products and sales channels for 25 years.

We see what others overlook and work hard to bring a fresh perspective to all of our projects. Our unique customer-centric approach, emphasising market and human behaviours, gives organisations the digital strategy and tactics required to implement a successful omnichannel business model. We drive digital performance by continuously optimising and identifying revenue opportunities, securing business alignment, and achieving targets and ROI.

Our team of developers possesses the technical expertise and skillsets to innovate and build content management systems, sites, and applications that leverage the latest market technologies. We invest heavily to ensure our designs meet accessibility compliance and are built on a mobile-first platform.

We would love to have an opportunity to share some of our ideas to bring your brand's customer experience to the next level.

Talk to us today.

Footnotes:

[1] https://www.forrester.com/blogs/europe-5-online-retail-sales-will-reach-e553-billion-by-2027/

[2] https://www.statista.com/topics/7887/online-shopping-behavior-in-the-uk/#topicOverview

[3] https://d3f6zr1897ea76.cloudfront.net/wp-content/uploads/2023/08/RetailMarketUpdateQ22023.pdf

[4] https://www.dropoff.com/blog/last-mile-delivery-costs-breakdown-and-how-to-reduce-them/#:~:text=The%20last%20mile%20accounts%20for,all%20supply%20chain%20costs%20worldwide

[5] https://www.accenture.com/us-en/blogs/voices-public-service/reduce-urban-congestion-with-smart-parcel-delivery

[6] https://uk.news.yahoo.com/parcel-theft-delivery-stolen-prevent-154107476.html#:~:text=The%20average%20stolen%20parcel%20is,growing%20issue%20in%20the%20UK

[7] https://uk.mer.eco/news/last-mile-keeping-up-with-sustainability-trends/

[8] https://trans.info/uk-haulage-vehicle-prices-surge-in-september-biggest-monthly-increase-in-9-months-368313

[9] https://www.parcelmonitor.com/insights/reimagining-delivery-experiences-with-bobbie-ttooulis-irx-gfs

[10] https://www.retailtouchpoints.com/topics/fulfillment-last-mile/amazon-nearly-quadruples-same-and-next-day-prime-delivery-volume-over-2019#:~:text=While%20previously%20orders%20were%20fulfilled,from%20within%20the%20customer's%20region

[11] https://www.doddle.com/wp-content/uploads/2023/10/eCommerce-Returns-2023-The-Role-of-Posts-and-Carriers.pdf

[12] https://www.retailcustomerexperience.com/blogs/why-retailers-need-to-up-the-delivery-experience/#:~:text=Positive%20returns%20process,billion)%20a%20year%20on%20average

All human

hi@allhuman.com