DELIVERY MATTERS
UK
2018
Understanding online shopper behaviour
Royal Mail
Welcome to Delivery Matters: UK Shoppers 2018. Part of the 10th annual Delivery Matters Study, this edition looks in more detail at the UK market, bringing you the crucial insights and trends to help shape the way you serve your customers.

What the research shows: that in today’s current climate of economic uncertainty, it has never been more important for shoppers to get value for money. People continue to look online for the best deals and prices – and this is driving the proportion of money being spent online, which has increased for the second year in a row.

We also see that usage of social media to shop online is on the up, with almost 1 in 5 UK online shoppers having now bought directly from Facebook – and younger, urban shoppers are driving an uplift in subscription service usage. Desktops and laptops are being left behind, as more and more people choose the convenience of shopping on mobile devices. And, whilst delivery fulfilment and tracking service expectations remain largely unchanged, delivery choice remains important, with more people beginning to opt for same day delivery.

Chief Customer Officer, Post and Parcels, Royal Mail
UK shoppers love value for money

When it comes to buying online, the frequency has remained stable – and the proportion of money spent online has gone up year on year.

What consumers are looking for: value for money, whatever they’re buying and wherever they’re buying it from.

In 2018 men typically spent more online than women.

Average spend: £261 offline and online

Average online spend was £228

People spent £34 (on average) on each online transaction

People shopped 7 times online

Over a 3 month period, this little piggy shopped online...

Younger vs Older
On average, those aged between 25-54 purchased more than those aged 55 & over

7 items vs 6 items (for those 55+)

Online spend has risen
While overall spend has decreased, the proportion of online spend has increased again year on year.

87% in 2018 vs 80% in 2017.

Key Facts

£255 Men vs £204 Women

In 2018 men typically spent more online than women.
Reasons to shop online

Why do people choose to shop online? There are of course a huge number of reasons.

Whether it’s the convenience of shopping from home, the ability to easily compare prices or the enormous choice that’s available, people have never been so keen to browse and purchase in their dressing gown.

However, even though online shopping has never been more popular, shoppers aren’t turning their back on the high street completely... in fact, 94% of online shoppers still purchase in-store, too.

Convenience & price are the key reasons shoppers choose to buy online

- 55% of UK shoppers prefer to shop online to compare prices
- 52% of UK shoppers prefer to shop online as there is more choice
- 45% of UK shoppers like to browse online in their free time
- 44% of UK shoppers find it cheaper to buy online than in-store
- 44% of UK shoppers like to shop from the comfort of home
Who’s buying what (and when)

Us Brits just love to shop – so it probably won’t come as a surprise that most people surveyed (66%) said they shop on all days of the week (with 93% saying they shopped on at least one day during the working week).

But what are they buying and how are they buying it? Clothing was by far the most popular purchase, with 45% of respondents saying they bought things to wear, whilst toiletries and makeup had a jump from 18% in 2017 to 23% in 2018.

What are online shoppers buying?

Clothes  29%  Books  26%  Food / Drink  24%  Music / Games  24%  Footwear  23%  Toiletries / Makeup

How people shop online

Desktop  33%  Smartphone  39%  Laptop  48%

People are beginning to switch off the laptop and desktop and pick up the smartphone instead. And, because smartphones are so portable, people are using them to buy things pretty much everywhere – in stores, on trains, on the sofa, at home, or even in the bath!
Purchasing an item by subscription

Although take-up of subscription boxes is relatively low (with just under 1 in 10 UK online shoppers stating that they have a subscription) many shoppers are beginning to enjoy this kind of service.

The way they work is simple... people pay a fee and every month they receive nice things in the post (from wine to food, shaving products to pretty much anything you care to mention). Average spend is £12 per box (some cost a bit more, i.e. food and cosmetic boxes and some cost a bit less, such as a razor/shaving box) and the majority of shoppers with a subscription (67%) only have one. The key thing – the appetite is clearly there for this kind of service, ready for forward-thinking entrepreneurial retailers to seize it.

Key Facts

Just under 2 in 3 think it’s important that subscription boxes can be posted through the letter box (meaning customers don’t miss their delivery if they’re not at home when it arrives). Your perfect delivery option: Royal Mail Tracked, which offers a no signature service and lets shoppers know when their box has been delivered.
The signs are good for subscription delivery services

Subscription delivery services can prove extremely convenient – with shoppers paying a certain amount to receive unlimited delivery options. They continue to grow in popularity, with 3 in 10 UK shoppers (29% in 2018, up from 24% in 2017) happy to pay for the convenience (and savings) they offer. Amazon remains by far and away the most subscribed (with 77% saying they had an Amazon Prime subscription).

From a retailer’s perspective, subscriptions drive loyalty, but why do shoppers choose to take out a delivery subscription? Primarily because they buy from a particular retailer regularly (50%) – however, being able to receive items fast (same day or next day) is a big factor too (46%), as is saving money on delivery charges in the long run (42%).

What would make someone subscribe?

- 41% Free trial
- 41% Free returns
- 37% Saving me money
- 32% I buy regularly
- 26% I don’t have to think about delivery costs
- 24% Ability to get items next day/ same day

In an average month shoppers receive 3 deliveries from the retailer they have a subscription with.

Key Fact
Adding brand value
Subscribing saves people money over the long term and encourages brand loyalty in shoppers, with younger shoppers (46%) and those living in cities (36%) more likely to subscribe to a delivery service.
How social media influences online shopping

The rise (and rise) of social media is having an effect on online shopping. 67% of respondents in the survey have used Facebook recently, with almost 1 in 5 (17%) having shopped directly through the world’s most popular social media platform. Driving the trend: younger shoppers, with 48% having bought items after seeing posts on social media... and when 18-24 year olds shop online, social media marks the start of their shopping journey 14% of the time.

From 18-80… Facebook is Liked by young and old

22% of online shoppers have purchased items after seeing posts or comments on social media.

Key Facts

Did you know?

22% of people have purchased items after seeing posts (or comments) on social media. It’s a fact: social media’s influence is absolutely huge... and its dynamic continues to shift, change and evolve, with an increase in the number of shoppers who would like to be able to shop directly through Instagram – all of which dovetails nicely with Instagram’s own drive to encourage retailers to create a store-front for shoppers to explore your best products with a single tap.”

*Source - What is shopping on Instagram? Instagram.com 2018
Delivering satisfaction

When it comes to online purchases, the majority of shoppers continue to trust Royal Mail to deliver above all others.

In fact, Royal Mail is the top performing delivery carrier in terms of awareness, usage, trust and shopper impact, with 3 out of 4 people (75%) trusting Royal Mail to deliver their online purchases (up from 74% in 2017).

Key Fact

When it comes to the friendliest, most trusted delivery staff, Royal Mail comes out on top with UK shoppers (18% higher than its closest competitor).
What shoppers want

These days, the majority of online shoppers don’t just want free delivery… they expect free delivery. In fact, almost half (45%) of online shoppers expect no minimum spend to be eligible for it.

But when do they expect their item to be delivered? Here’s where shoppers are a little less demanding, with the majority (57%) not expecting a specific delivery time window and happy simply with an estimated day, part of day or 4 hour window.

Businesses can’t afford to rest on their laurels however – the upturn in usage of same day and next day delivery shows that some customers don’t like to wait. So keep them happy with a choice of free delivery or a guaranteed delivery day and there’s more chance they’ll buy from you again.

Offering delivery choice to build loyalty

Shoppers have used standard delivery

11 times on average in the past 12 months

Shoppers have used next day delivery

04 times on average in the past 12 months

20% of shoppers have used same day delivery at least once in the past 12 months

Key Facts

85% of shoppers would prefer the retailer from whom they are purchasing to offer a range of delivery speeds.

Subscribers demand more...

The use of next day and same day delivery is being driven by delivery subscriptions. Those with a subscription have used next day on average 10 times in the last 12 months, versus just once for those without.
Keep your business on track

When a customer is expecting a delivery to turn up, information is everything. 3 out of 4 people (74%) think it’s important to receive updates regarding the progress of their deliveries – so it’s never been more important to keep your business on the right track, by allowing your customers to self-serve and track their parcel.

Key Facts

On track for success
1 in 3 shoppers believe it’s easier to track an item via an app than on a laptop.

Let shoppers keep tabs on their deliveries.
Over half of shoppers want to know if there has been a delivery delay, if their item has been despatched and to be informed of a 2 hour time-slot.

Tracking info is key

62% of people think it’s important to receive updates on the progress of their delivery throughout its journey.

58% of people want to know if there’s been a delivery delay.

52% of people would like delivery confirmation.

41% of people would like delivery confirmation.
There’s no place like home

When respondents were asked their preferred location for delivery, the majority gave the same answer: their home.

In fact, 2 in 3 (64%) prefer home delivery to any other location. But what if you know that no one will be at home? Well, then people would choose the Post Office® – with 72% trusting their local branch as a suitable alternative.

Click & collect is still seen as a viable alternative – in fact, click & collect usage has remained stable year on year, with 3 in 5 respondents having used it (55% because it was free). But, when all’s said and done, 75% of click & collect customers still prefer a free home delivery (versus 16% who prefer a free click & collect service).

Click & collect

If a customer knows they’re going to be out, click & collect is the convenient alternative

3 in 5 online shoppers have used click & collect

42% use click & collect as it’s more convenient

How much do people trust the alternatives?

72% trust the Post Office® as a delivery alternative

71% trust their local Royal Mail Delivery Office as a delivery alternative

71% trust a friend as a delivery alternative

68% trust a retail outlet as a delivery alternative

63% trust a neighbour as a delivery alternative

Key Facts

Just under half of all shoppers would be likely to use a retailer offering Post Office® collection, so add Royal Mail Local Collect® to your check-out to let your shoppers choose from 10,500 collection points nationwide.
Play your part before they fill their cart

Picture the scene. A customer’s been browsing online, casually popping things in their basket. Everything’s looking good. Then… disaster! They abandon their cart before completing the purchase!

But what’s the main driver of cart abandonment? Unhappiness with the delivery charge remains the number one reason (40%) – but there are other factors too.

Take note: 31% of people will return to purchase the same item at a later date on the same website – so, the urge is there. But 22% bought that item with someone else. What you have to do: give the customer what they want so that, instead of abandoning, they rush to complete the purchase. A good place to start – by not making the delivery charge a barrier.

Why do shoppers abandon their cart?

- 24% because they changed their mind when they saw what they’d spent.
- 26% because they found a better deal elsewhere.
- 27% because they got interrupted when placing their order.
- 37% of people abandon their cart because they were just browsing.
- 40% of people abandon their cart because they weren’t happy with the delivery charge.

Key Tip

Better business sense… Don’t let your customers get away – offer affordable (or free) delivery to encourage them to complete their purchase.

What shoppers do after abandoning a cart

- 31% purchased the item at a later date on the same website.
- 22% purchased the item with a different online retailer.

24 25
Great British online shopping... in summary

So... what has this survey told us about where the Great British online shopping public are today? Well, value for money and price are (and will continue to be) increasingly important to shoppers – and, with an increase in the proportion of money spent online, people are certainly more willing to shop, if they feel like they’re getting a good deal.

People are also more than happy to consider an ever-increasing variety of different delivery services, with 29% subscribing to a delivery service, as they like to receive items quicker (and save money) and 10 times as many subscribers as non-subscribers using next day delivery in the last 12 months. So, it pays to offer real flexibility when it comes to things like same day or next day delivery.

Perhaps most important of all, the digital landscape is changing, at an ever-increasing rate.

Led by younger online shoppers (and influenced by social media) the way people shop has changed and evolved. 17% of online shoppers have purchased directly from Facebook and smartphones are increasingly the way forward – offering ease and convenience to digital savvy audiences who demand (and expect) more.

There’s no doubt about it – the future of online shopping has never been so exciting. So, the question is... will your business use these key learnings to adapt, evolve and, above all, prosper in this rapidly-changing e-commerce world?
Royal Mail services

Royal Mail Special Delivery Guaranteed®
Next day by 9am or by 1pm
for those last-minute purchases

Royal Mail Tracked 24® and Royal Mail Tracked 48®
Peace of mind for delivery
next day or 2–3 days

Royal Mail 24® and Royal Mail 48®
Great value everyday delivery

Royal Mail Tracked Returns®
Make returns easy for shoppers
if they change their mind

Labels to Go
Make mobile returns easy for shoppers
without a printer

Local Collect®
Offer shoppers a click & collect
option at the Post Office®

About this research

Independently conducted by Trinity McQueen,
this research was based on a sample group of
1,506 UK online shoppers. They completed a 17
minute survey, optimised for mobile and tablet
devices, between 18th-25th April 2018. This
research is representative of online shoppers
that bought items online in the UK.

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