

Online Buying Grows, But Too Many Consumers Still Experiencing Delivery Woes

Descartes' Third Annual Ecommerce and Home Delivery Consumer Sentiment Study



Introduction

Does a mature ecommerce market offer the quality of delivery experience consumers expect and, if not, where do retailers and delivery organisations need to improve? How have economic challenges affected online purchasing and delivery sentiment? For the third year in a row, Descartes, in combination with SAPIO Research, surveyed 8,000 consumers in Europe and North America to gain a comprehensive view of the state of ecommerce and home delivery performance. The results of the study indicate incremental year-over-year improvement in home delivery performance by retailers and delivery companies (e.g., carriers, couriers and logistics services providers), but the level of consumer dissatisfaction remains high.

In some markets, notably North America and the U.K., ecommerce, as a percentage of purchases, is expected by consumers to exceed brick and mortar purchases in the next 12 months. Online consumers continue to become more sophisticated and knowledgeable. Their purchasing decisions and brand perceptions are influenced by home delivery performance and their expectations are increasingly nuanced, reflecting the ever-expanding range of purchases in diverse product categories. Perceptions around cost, speed and timeliness of delivery, as well as security expectations, vary not only across countries and demographics but also depend on the type and value of purchase.

By improving delivery reliability and security, and offering more cost-effective delivery options, retailers can gain competitive differentiation, improve customer loyalty and improve the profitability of their ecommerce channels.

Top Level Findings

Below are high-level, at-a-glance takeaways from the research*



39% increased purchases versus **16%** decreased purchases in the prior year



57% made purchases in new categories in the past year



57% cited convenience as the top reason for increasing purchases



67% experienced a delivery problem



63% took some form of action that had negative consequences for the retailer or delivery company



44% preferred lower-cost deliveries while **28%** preferred faster deliveries



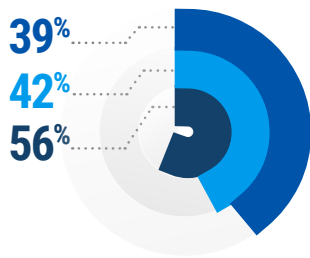
66% favored delivery options that could result in lower delivery costs to the retailer or delivery company

Ecommerce growth may be slower, but consumers are more committed

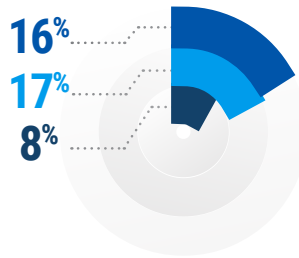
Consumer interest in ecommerce continues to grow, but no longer at the accelerated pace as during the pandemic (see Figure 1). Ecommerce does, however, continue to gain traction with consumers as the study shows that **44%** intend to increase their online purchasing frequency to at least every two weeks, compared to **34%** in 2023 and **32%** in 2022.

Figure 1: Changes in online purchasing behaviour

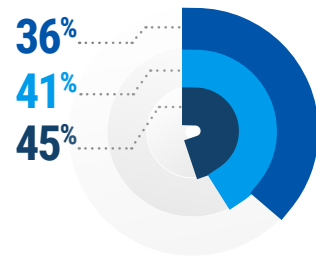
Which of the following statements best describes how your online purchasing behaviour has changed in the last year?



The number of online purchases I make has increased



The number of online purchases I make has decreased



The number of online purchases I make has stayed the same

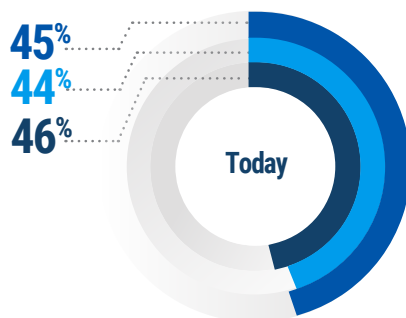
2022 Study 2023 Study 2024 Study

Source: Descartes / SAPIO Research

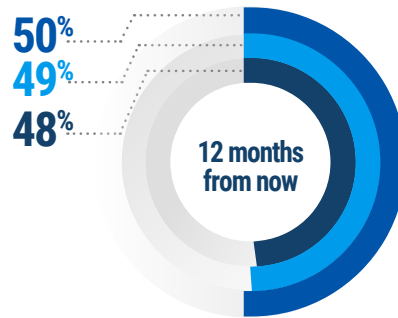
Furthermore, consumers are now accustomed to buying online and expect to make even more purchases for home delivery in the next 12 months (see Figure 2). Consumers expect to make almost half (**49.5%**) of all purchases online within the next year—a **4.9%** increase versus today (2024). Indeed, in some markets—notably the U.K. (**59%**) and North America (**52%**)—consumers expect to buy more often online than at a physical store within a 12-month period.

Figure 2: The percentage of purchases made online and delivered

What percentage of all your purchases did you make online and have delivered to your home?



Today



12 months from now

2022 Study 2023 Study 2024 Study

Source: Descartes / SAPIO Research



Consumers are enjoying the convenience (**57%**) of the online buying and delivery model and like the fact that the online ordering process has gotten easier (**49%**). Almost half (**48%**) also say they like home delivery because they don't have to go out of their way to pick purchases up, further underlining the value of an effective, easy and convenient online shopping experience.

The value of this convenience is particularly strong for seniors over 65 (**71%**), where purchasing for convenience grew **6%** year-over-year. By contrast, getting used to the convenience is cited by just **42%** of those aged 18–24.

Across all demographics, consumers are also expanding the type of goods they purchase online, further demonstrating the growing confidence in ecommerce buying. According to the study, **57%** made online purchases in at least one product category—for the first time—in the past year.

The effects of inflation and higher prices, however, are continuing to impact the pace of ecommerce growth. In 2024, “less disposable income” was again the top reason (**42%**) inhibiting online purchases, up from **37%** in 2023 when, for the first time, it replaced “seeing the actual product before buying.” By contrast, less disposable income was the fifth highest choice in 2022, underscoring the impact on buying power that has occurred in the past two years.

It is, however, also true that delivery issues are cited as a barrier to purchasing in the future. When respondents were asked what would put them off making more online purchases in the future, one in five (**21%**) say they have had negative delivery experiences, **20%** say deliveries are not reliable, **17%** have been dissatisfied with the delivery process and **16%** say deliveries are not environmentally friendly.

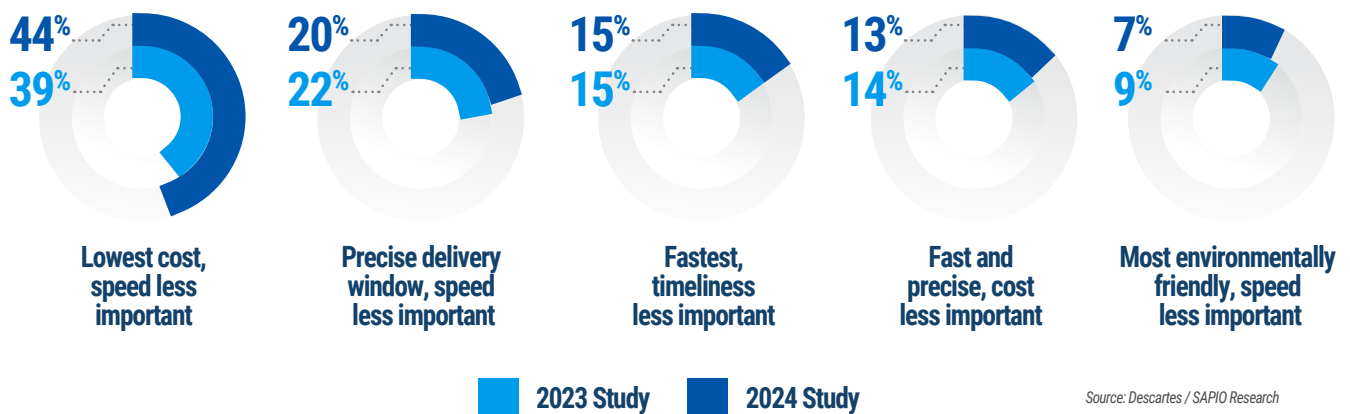
While retailers cannot address customers' financial challenges, mediocre delivery performance and inconsistent delivery experiences are solvable problems. To avoid this barrier to purchasing, retailers and delivery organisations need to raise the quality and consistency of the home delivery experience.

Understanding customer delivery personas is an opportunity for retailers

When it comes to consumer expectations for home delivery, not all think about delivery in the same way. Consumers have different delivery personas—and these can vary by the products being delivered. Delivery personas involve a combination of cost, delivery speed, precision, value-added services and information about delivery options (e.g., most environmentally friendly), which allow retailers to craft a number of delivery experiences that best fit their customers' preferences.

This study reinforces findings from 2023 that fewer customers are prepared to pay for fast delivery, preferring instead a lower cost alternative. While the era of instant gratification may not be completely over, more than two fifths (44%) cite "lowest cost, speed is less important" as the top delivery preference in 2024, up from 39% in 2023 (see Figure 3). Furthermore, 20% say they want a "precise delivery window, with speed being less important." Just 15% rate "fastest delivery, with timeliness being less important" and only 13% say "fast and precise, with cost being less important."

Figure 3: Consumer delivery preferences | What best describes your delivery preference?



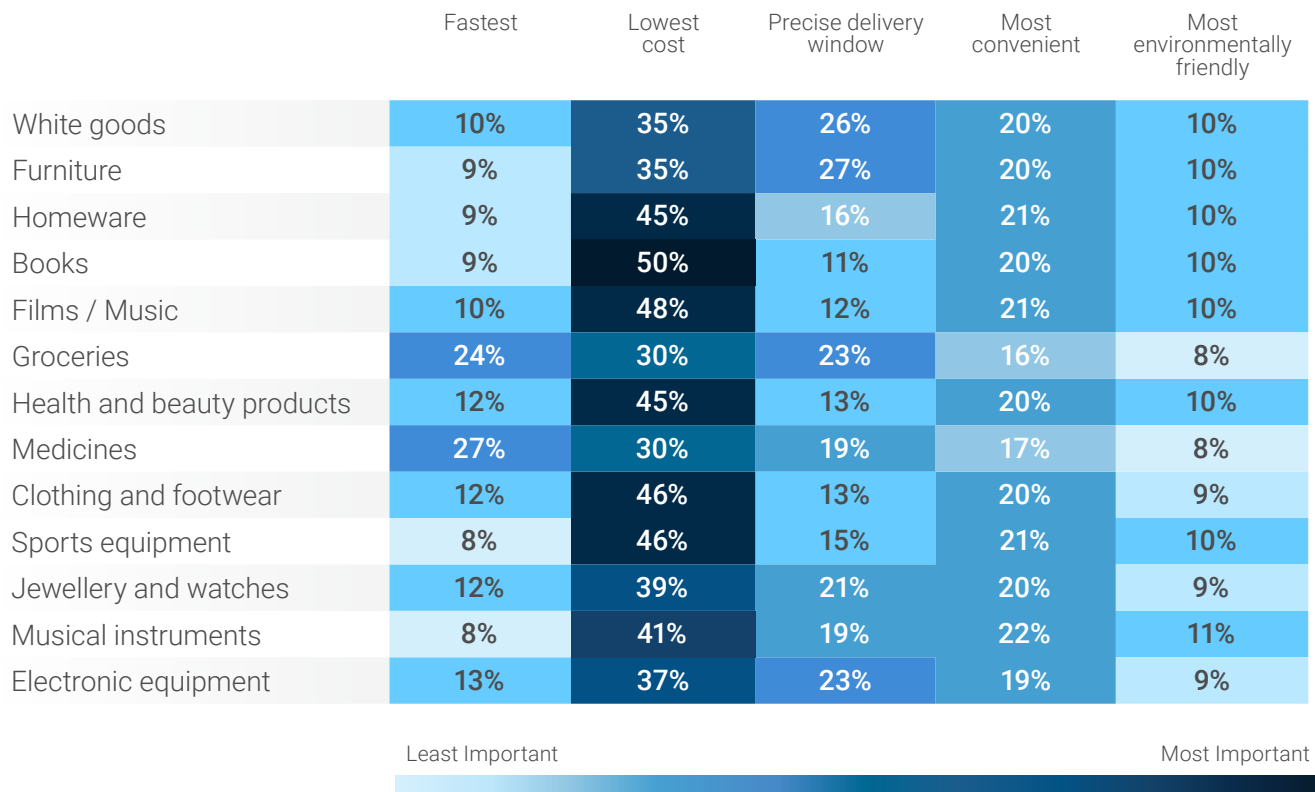
Delivery personas allow retailers to craft a number of delivery experiences that best fit their customers' preferences.

Expectations of the delivery experience vary not only between customer delivery personas but also across product categories within those personas, making it increasingly important for retailers to offer far more delivery choices to customers. While “lowest cost” remains the most important delivery option for all goods, consumers have understandably different needs for some purchases.

For example, low-cost delivery options are a clear priority for purchases of books (50%) and films/music (48%) yet low cost for grocery (30%) and medicines (30%) is only just slightly more important than speed (24% for grocery, 27% for medicines) (see Figure 4). A precise delivery window is important for larger format purchases such as furniture (27%) and white goods (26%), as well as groceries (23%) and electronics (23%).

Figure 4: Consumer delivery preferences

What best describes your delivery preference based on the following types of purchases:



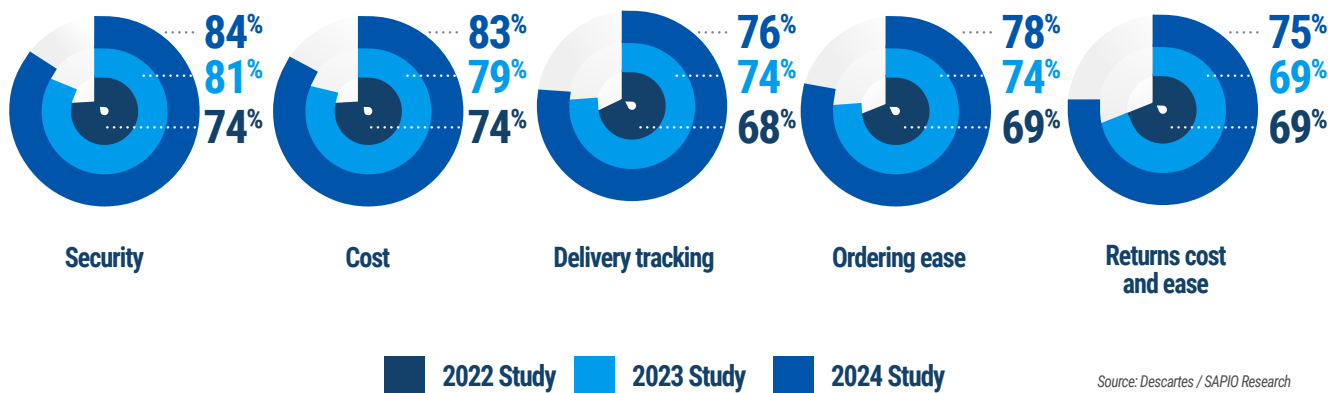
These results further emphasise the importance of evolving from a monolithic delivery model towards one that offers consumers real choice. Retailers who cater to each customer’s specific characteristics throughout the buying process, including delivery, will be better positioned to maximise revenue and improve customer loyalty. Attaining greater insight into the delivery expectations and preferences of customers will also help to lower delivery costs and add significant value to the bottom line.

In addition to the “cost-versus-speed-versus-precision” aspect of delivery, it is important to understand how customers consider different aspects of their delivery experience. Once again, security (84%) is cited as the most important aspect of the delivery process, up from 81% in 2023 and 74% in 2022. This is closely followed by cost of delivery (83%), which is up from 79% in 2023, underlining the economic squeeze faced by many consumers.

While the most significant shift this year is the increase in importance of handling returns (75%), up from 69% in both 2022 and 2023, consumers are also looking for ease of ordering and booking (78%) and the ability to track a delivery (76%) (see Figure 5).

Figure 5: Elements of the delivery process ranked as quite/extremely important

How important are each of the following elements of the delivery process?



Creating a strong chain of custody is even more important, understandably, when it comes to making online purchases of expensive items. Providing proof of delivery (40%) is the top priority, up from 35% in 2023 and 30% in 2022, followed by security (36%) and delivery tracking (32%) as the most important factors when purchasing big ticket items. The addition of proof of delivery in various forms, including picture and signature capture, is now a core component of a good delivery experience for high-value items. As customers expect greater care of high-value products during delivery, leading retailers and delivery companies need to have the technology in place to provide these types of capabilities.



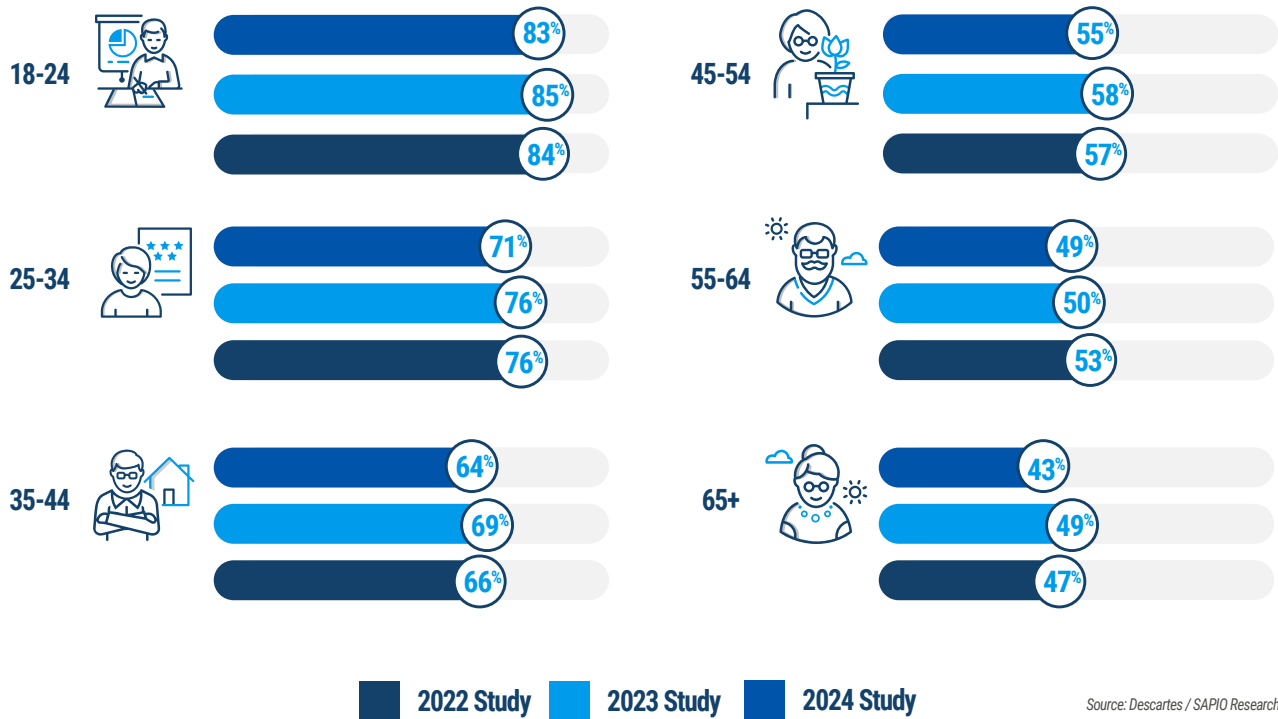
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Importance of environmental impact of delivery varies more by age

It is also interesting to gain insights into consumers' evolving attitudes towards the environmental impact of delivery. Financial pressures have shifted priorities over the past couple of years: **58%** of consumers consider the environmental impact of buying online in 2024, down from **63%** in 2023 and **65%** in 2022.

Again, however, the picture is far more nuanced. There is, for example, an enormous difference in attitudes across age groups that retailers must consider in developing delivery personas. The younger generation is far more concerned about its environmental impact: **83%** of consumers aged 18–24 and **71%** of 25–34-year-olds consider the environment when buying, compared to just **43%** of those over 65 years of age (see Figure 6).

Figure 6 | Sustainability concerns by age group when purchasing with home delivery



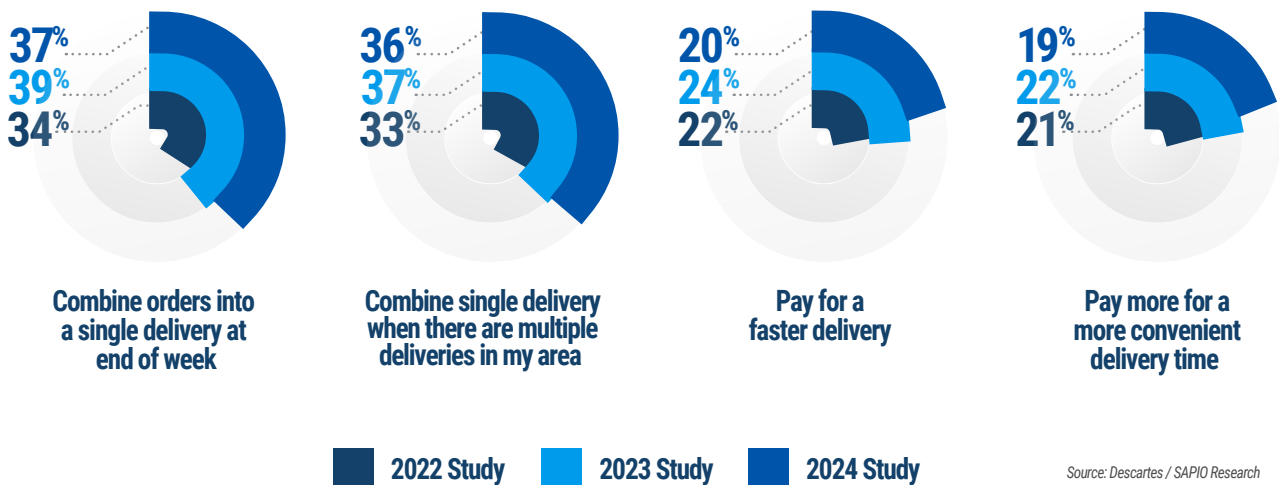
Attitudes also vary between the U.S., Canada and Europe, with the research confirming a significant dip in environmental consideration across the U.S. this year, down from **62%** to just **47%**. By contrast, **56%** of Canadians consider the environment when buying online (up from **54%** in 2023), and **75%** of Belgians (up from **72%** in 2023).

Delivery sophistication is increasing for consumers

The study also confirms previous findings that consumers are looking for more than a one-size-fits-all ecommerce delivery experience. There is sustained interest in more innovative delivery models, most notably replacing multiple deliveries with one (67%) (see Figure 7). Over a third (37%) would welcome the ability to combine orders over a period into a single delivery at the end of the week, while 36% would like to combine orders into a single delivery when there are multiple deliveries in their area. In addition, 32% would like to understand what delivery option is the most environmentally friendly. It is interesting to note that customers are less willing to pay for faster (20%) or more convenient (19%) delivery times than in previous years, further underlining the cost-sensitive nature of consumers currently.

Figure 7: Delivery service options with highest (quite/very interested) level of interest

How interested would you be in receiving a delivery service that offered you the following options?



For retailers and delivery organisations, the ability to consolidate orders into fewer deliveries not only meets customer needs but also reduces costs and improves sustainability performance. Furthermore, while only a minority of customers are willing to pay more for fast or convenient delivery, this remains an important aspect of a flexible delivery model: retailers offering these premium value services will not only boost customer satisfaction but also generate significant additional revenue.



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Delivery performance still has of room for improvement

As the explosive ecommerce growth seen during the pandemic has eased, retailers and delivery companies have had time to regroup, plan and address some of the challenges that inevitably arose during a time of unprecedented demand. The improvements year-over-year, however, are still small: **85%** of people are satisfied with their delivery services overall (**16%** every time, **69%** most of the time), which is only a **2%** improvement on last year (**16%** every time, **67%** most of the time) and **5%** up on 2022 (**13%** every time and **67%** most of the time).

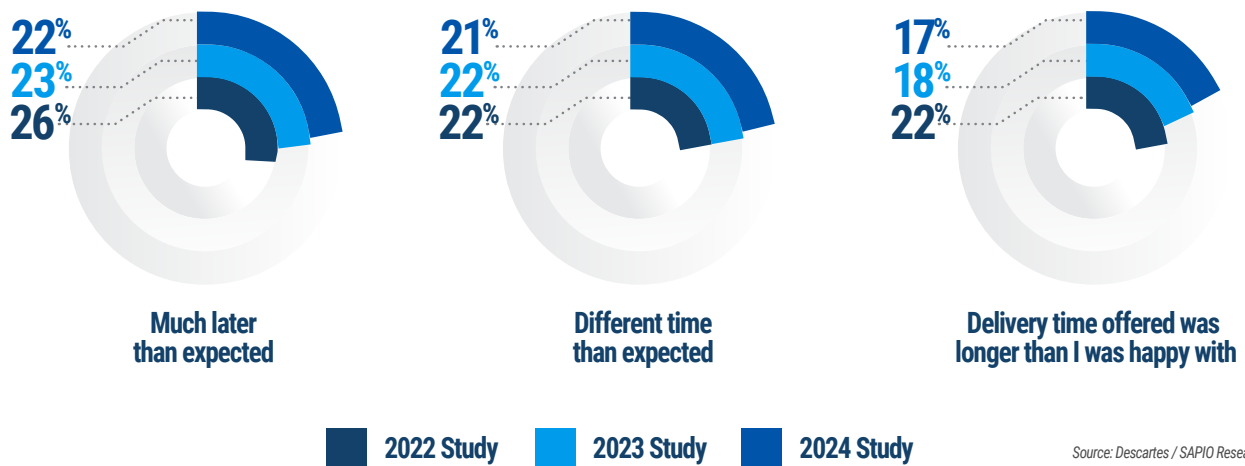
Satisfaction levels are much higher in older generations, with **96%** of those over age 65 saying they are satisfied with their delivery services (up from **83%** in 2023 and **80%** in 2022). By contrast, the younger generation is significantly less happy with their delivery experience, with only **71%** of those aged 18–24 satisfied (up slightly from **67%** in the last two studies). Middle-aged consumers are also unhappy, with **19%** of the 34–55 generation saying they are only occasionally, not that often or never satisfied with delivery services.

So why are so many people unhappy with the quality and consistency of delivery performance? Is it just that younger generations have higher expectations or is this simply a response to the day-to-day experience of online delivery? The unfortunate fact is that two thirds (**67%**) of all consumers still experienced delivery issues in the three-month period surveyed, which is a slight decrease from **69%** in 2023's study and a small improvement from 2022's when the figure was **73%**.

Last year's improvement has stalled, and delivery problems are still far too high. Year-over-year, the biggest problems are related to the timeliness of delivery. In 2024, **22%** report a delivery arrived much later than promised, **21%** at a different time and **17%** say the delivery time offered was longer than they were happy with (see Figure 8).

Figure 8: Top delivery problems in 3-month period surveyed

Have you had any of the following experiences with a delivery in the last 3 months?



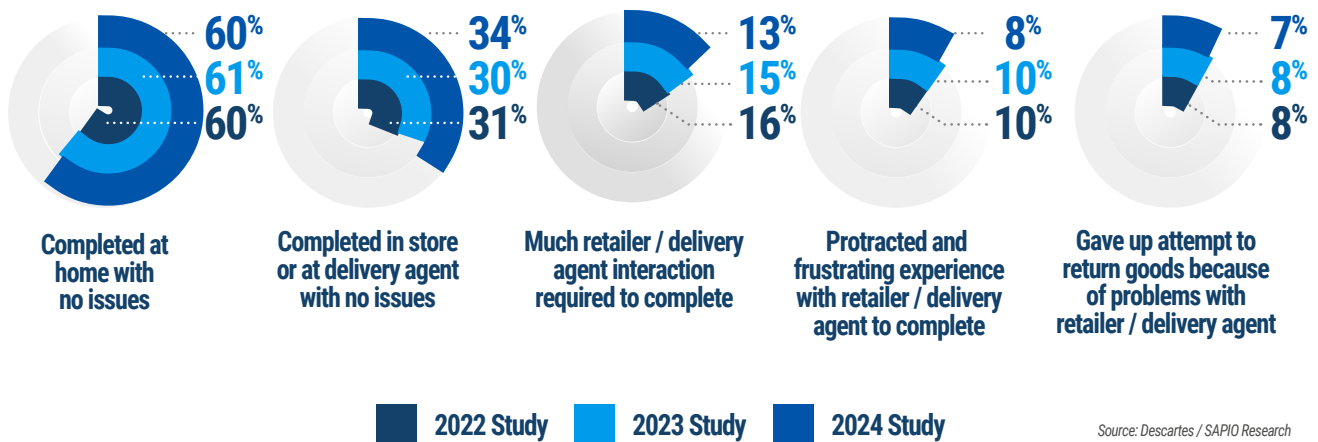
Younger respondents' higher delivery expectations correspond to the greater number of problems they report. For those aged 18–24, **28%** say the delivery came later than promised, **29%** at a different time and **23%** that the delivery time offered was longer than they were happy with. A quarter (**25%**) of this age group also reported the delivery was damaged.

Given evolving customer expectations of the end-to-end delivery experience, it is positive to see that customer satisfaction with elements of the delivery process are improving, most notably with respect to delivery tracking, which tops the list at **80%** this year, up from **77%** in 2023 and **73%** in 2022 when it was the third highest rated element in the delivery process. At **79%**, ease of ordering and booking the delivery was ranked as the second highest element consumers were satisfied with, up from **76%** in 2023 and **74%** in 2022. The third highest element was security of delivery at **77%**, a notable jump from **68%** in 2022 when it ranked as the ninth highest element.

Retailers' returns performance is also holding steady, although not improving: **60%** of consumers had no issues completing the returns process at home this year, unchanged year-over-year since this study began in 2022 (see Figure 9). At the other end of the scale in 2024, **15%** did have a returns problem—again, similar to the last two years. While **8%** noted they had to complete a protracted and frustrating returns experience with a retailer/delivery agent, **7%** gave up the attempt to return goods altogether because of problems with the retailer or delivery agent.

Figure 9: Returns performance for retailers/delivery agents

How were online return services?



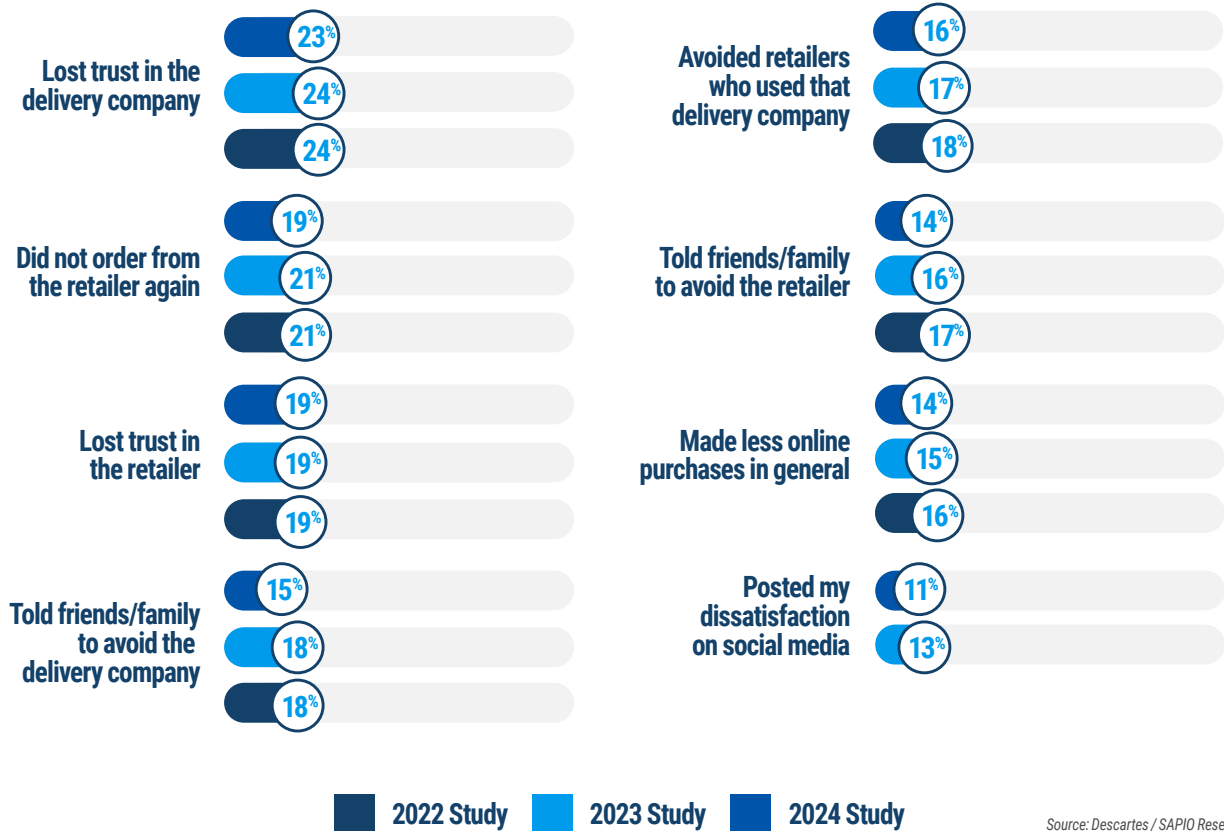
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Poor delivery performance damages business

Consumers have little tolerance for poor ecommerce home delivery experiences, with the majority (63%) of those experiencing a delivery problem taking some form of action over the past 12 months—action with significant ramifications for the reputation and bottom line of both retailers and delivery companies (see Figure 10).

Figure 10: Implications on business of poor delivery experience

What, if anything, resulted from the delivery issue in the 3 month period?



Source: Descartes / SAPIO Research

While this is down slightly from previous years (68% in 2022 and 2023), retailers cannot afford to have more than half of their customers reconsidering loyalty to the brand, stopping purchases or influencing others to do the same. A single delivery mistake can have far-reaching consequences, with consumers willing to share their experiences with friends and family and through social media.

It is also important to note that younger consumers are more likely to act after a negative experience: 80% of those aged 18–24 compared to 62% of those over 65 will respond in some way. Almost a quarter (23%) of the 18–24s confirm they lose trust in the retailer and 22% do not buy from that retailer again. Retailers are potentially going to lose the next generation of consumers if the delivery experience does not improve.

Further, with almost a quarter (23%) of consumers also saying they lost trust in the delivery company and 16% saying they would avoid retailers that use the delivery company in the future, consumers will also opt for a different retail/delivery combination if a choice is available.



Home delivery performance: The opportunity to differentiate and add value

With ecommerce increasingly dominating consumers' buying behaviour, home delivery performance is becoming ever more important. Consumers in every demographic are not only buying more, and more frequently, but expanding their online buying behaviour across new product categories.

Retailers and delivery companies need to provide a consistently high home delivery experience to ensure greater satisfaction across this growing buying audience. As this research confirms, retailers also need to recognise the divergent expectations across delivery personas and within those personas, which reflect the different type and value of purchases.

The third year of this study reveals the industry is achieving small, year-over-year improvements, but the fact that **67%** of consumers are still experiencing delivery problems over a three-month period should be a concern. The difference between a positive and negative customer experience will affect loyalty and repeat buying. In addition to ensuring deliveries are on time, security and proof of delivery are becoming essential components of the experience, especially for higher value goods.

Delivery excellence provides a chance to differentiate. Retailers prioritising security with tracking and proof of delivery while adding cost-effective delivery choices, including services that consolidate orders into fewer deliveries, will not only gain a competitive advantage by meeting customer needs but also reduce costs and improve profitability.

**Survey based on consumers' ecommerce purchasing and home delivery experiences during the 3-month period from late October 2023 to mid-January 2024.*

About Descartes Systems Group

Descartes (Nasdaq:DSGX) (TSX:DSG) is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, security and sustainability of logistics-intensive businesses. Customers use our modular, software-as-a-service solutions to route, track and help improve the safety, performance and compliance of delivery resources; plan, allocate and execute shipments; rate, audit and pay transportation invoices; access global trade data; file customs and security documents for imports and exports; and complete numerous other logistics processes by participating in the world's largest, collaborative multimodal logistics community. Our headquarters are in Waterloo, Ontario, Canada and we have offices and partners around the world.

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