

HUBBED

**THE GROWING IMPORTANCE  
OF DELIVERY CHOICE IN THE  
ECOMMERCE INDUSTRY**



# INTRODUCTION

The evolution of e-commerce has naturally meant the evolution of consumer behaviour. Retailers are offering more and shoppers, in turn, expect more. This extends not just to the purchase journey, but to both delivery and returns. Fulfilment is no longer about getting a parcel from A to B. It's about speed, pricing, sustainability, convenience, time of delivery, flexibility, security and more. Delivery options have a role to play when it comes to both conversion rate and, on the flip side, cart abandonment.

So what do shoppers actually want, and how can retailers not only meet, but exceed these expectations? Hubbed and Power Retail have joined forces to ask consumers exactly that!

This report looks at everything from delivery preferences to perceptions around sustainability and returns so that retailers know exactly how consumer behaviour is changing.

## METHOD:

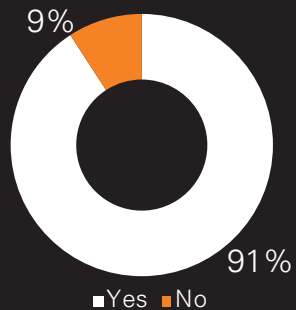
Data for this report sourced May 2022, from 2549 randomly selected Australian online shoppers



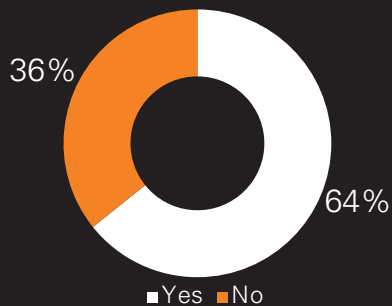
## CONSUMERS ARE EVOLVING - 65% OF THOSE SURVEYED SAY THEY HAVE USED A COLLECTION POINT TO PICK UP THEIR PARCELS

We know that the pandemic pushed consumers online and that the e-commerce surge over the last two years has been unprecedented. We can also see that shoppers are staying online, and that consumer behaviour has been forever changed. In the last three months alone, almost all consumers surveyed (a massive 91%) say they have made an online purchase.

A majority (65%) also say that they have used a pick up / drop off (PUDO) point to collect their online orders. This shows the way that the landscape is evolving and how consumers are adapting.



**OTHER THAN FOOD  
DELIVERY OPTIONS  
SUCH AS UBER EATS,  
HAVE YOU MADE AN  
ONLINE PURCHASE IN  
THE LAST 3 MONTHS?**



**HAVE YOU EVER USED  
A PICK UP/DROP OFF  
POINT TO COLLECT AN  
ONLINE ORDER?**

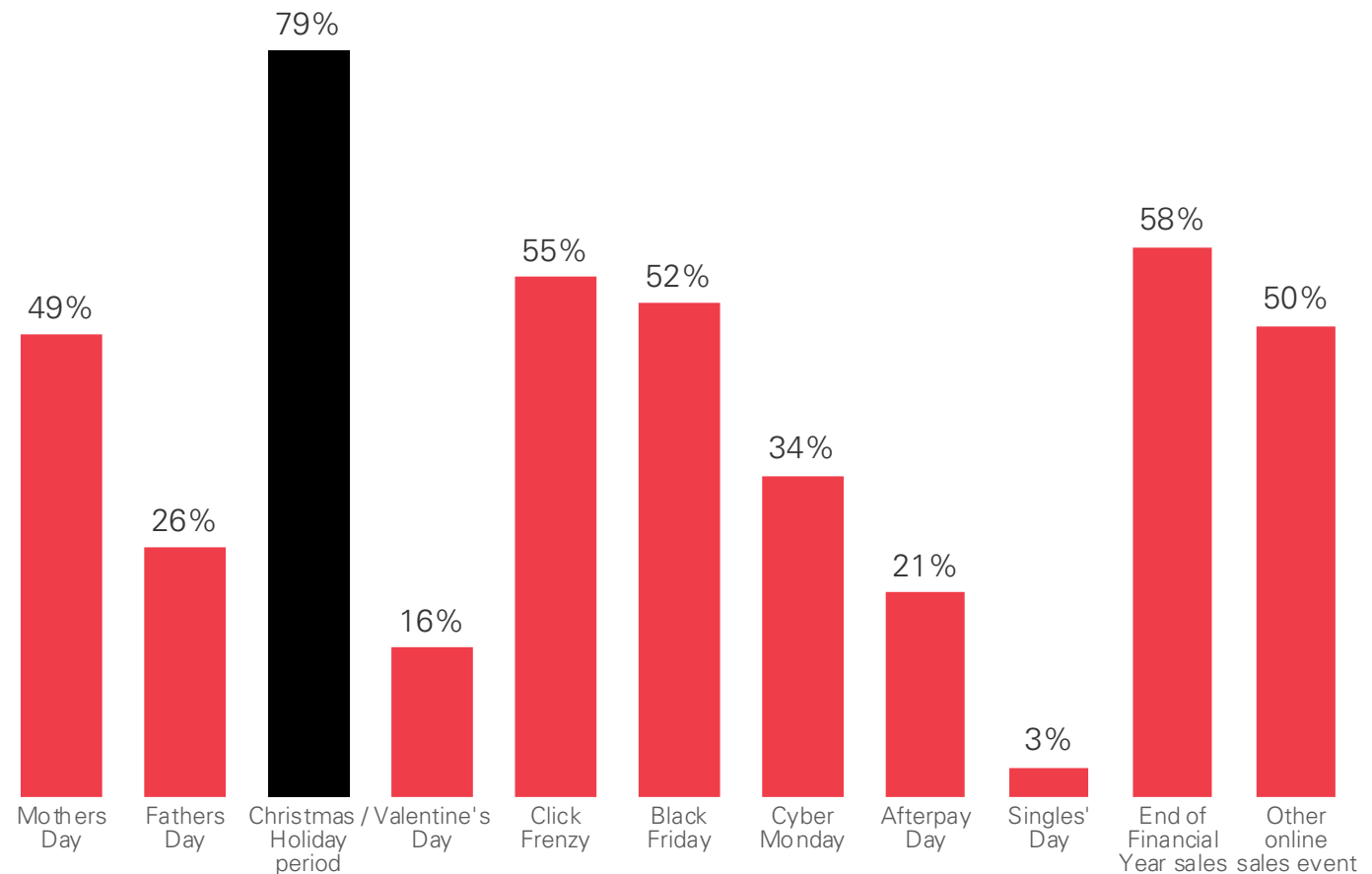
## CONSUMERS LOVE TO TAKE ADVANTAGE OF E-COMMERCE SALES EVENTS

So, when are consumers shopping? We know that specific 'events' lead to a spike in online purchase behaviour. More than three quarters of consumers surveyed (79%) have made an online purchase in the lead up to the Christmas / holiday period.

EOFY sales are the second most popular period for online shopping (58%) with Click Frenzy coming in third place (55%). We see the way in which online sales events such as Click Frenzy, Black Friday (52%) and other online only events (50%) drive spend.

Retailers need to be prepared for key e-commerce dates because consumers clearly love them.

### HAVE YOU MADE AN ONLINE PURCHASE IN THE LEAD UP TO OR DURING THESE SPECIFIC PERIODS?





## MULTICHANNEL RETAILERS ARE THE MOST PREFERRED BY CONSUMERS, HOWEVER THE NUMBERS ARE STILL SIGNIFICANT FOR THOSE WHO PREFER TO SHOP WITH SMALLER, INDEPENDENT RETAILERS

Shoppers say they most often purchase from large multichannel retailers, such as Kmart or Myer (79%). This may be related to the trust element that comes from purchasing from a big name retailer or someone they may be experienced with shopping from in-store.

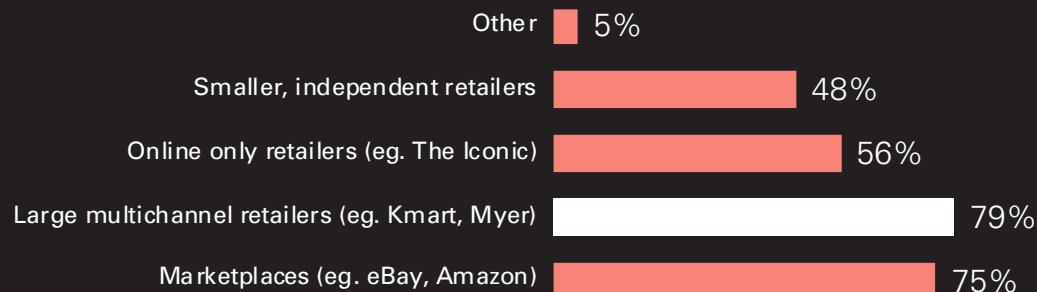
Marketplaces are also extremely popular, with three quarters of consumers surveyed (75%) saying they most often purchase via websites such as eBay or Amazon.

While online only retailers (57%) or smaller independent retailers (48%) do not rank quite as highly, a substantial proportion do actually say that they most often purchase from these websites. What this shows is that shoppers have a variety of purchase preferences across everything from smaller

independents to large multichannel retailers and everything in between, and there are a number of factors that lead to purchase decisions.

Given the significant number of consumers that shop with smaller retailers (and the room to grow here), smaller, independent retailers should look to all elements of the purchase journey, including payment and delivery options, to ensure they're not losing potential sales.

### WHAT KIND OF WEBSITES DO YOU MOST OFTEN PURCHASE FROM?

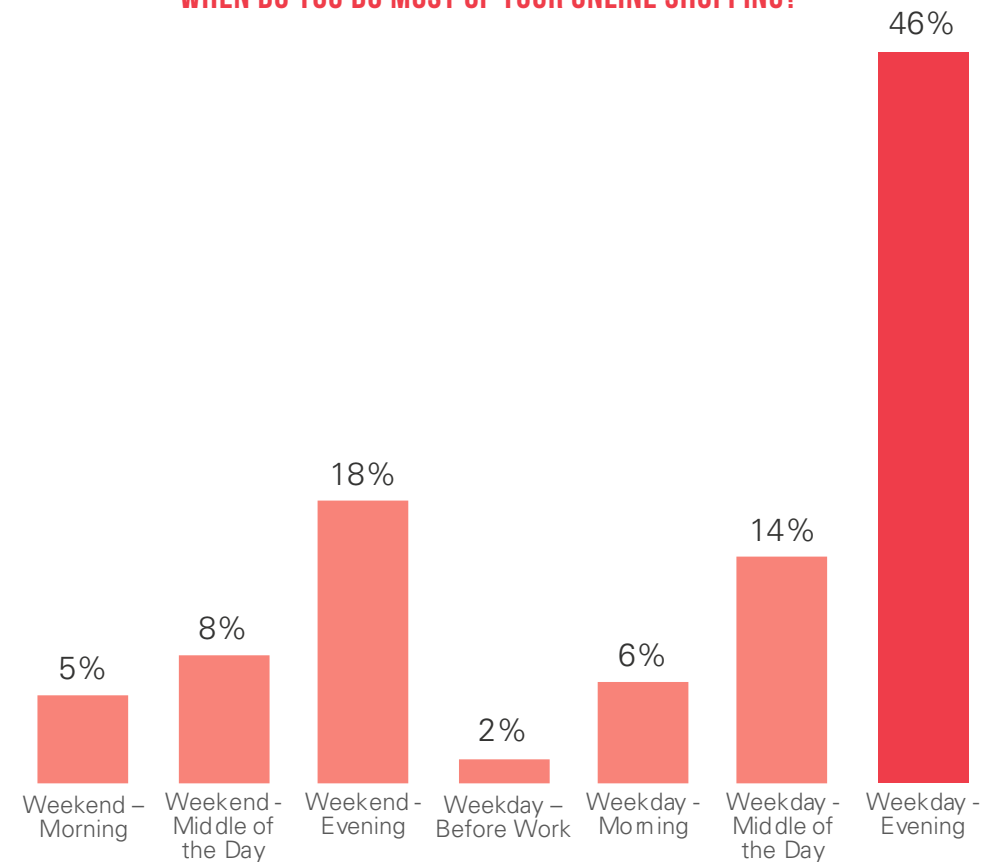




## RETAILERS NEED TO THINK ABOUT THEIR LOGISTICS IN ORDER FOR CONSUMERS TO HAVE THE CHOICE TO POTENTIALLY RECEIVE THEIR PARCELS ON THE WEEKEND

The most popular time to make an online purchase is in the evening on weekdays (46%). While consumers do purchase at other times of the day, this does give retailers an idea of when shoppers are more likely to purchase and more likely to be in this shopping frame of mind.

### WHEN DO YOU DO MOST OF YOUR ONLINE SHOPPING?





## DELIVERY DELAYS ARE AN ALMOST UNIVERSAL EXPERIENCE

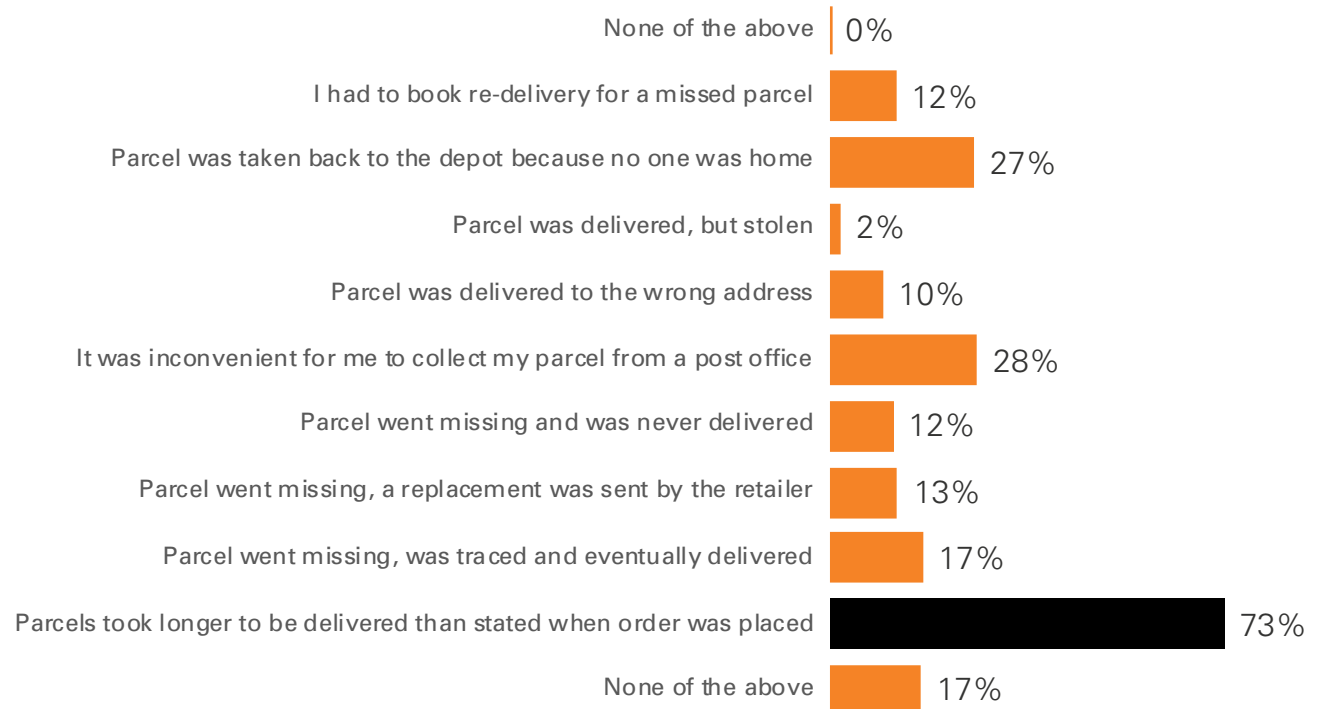
Parcels taking longer to be delivered than stated when an order was placed seems to be an almost universal experience (73%), drawing attention to the supply chain and logistics issues encountered during the pandemic.

More than a quarter of those surveyed (27%) say they had a parcel returned to the depot because no one was home for delivery and the same number (27%) say it was inconvenient to collect their parcel from a post office, again showing the common headaches for consumers.

In terms of missing parcels, 17% say they have had a parcel go missing but eventually delivered after being traced, 13% say a missing parcel was replaced by the retailer, and 12% say a parcel went missing and was never delivered.

This is how PUDO points improve the delivery experience, by minimising things like missing parcels or the inconvenience around post office pick-up times.

### THINKING ABOUT YOUR ONLINE SHOPPING IN THE LAST YEAR, DID YOU EXPERIENCE ANY OF THE FOLLOWING (AT LEAST ONCE)?





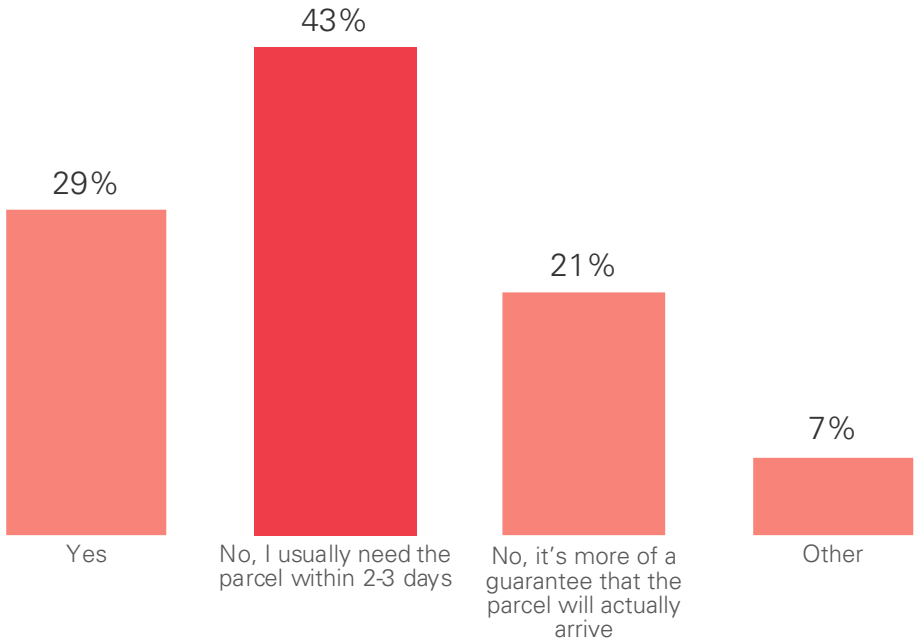


# SAME DAY DELIVERY PROVIDES CERTAINTY THAT PARCELS WILL ARRIVE WITHIN A REASONABLE AMOUNT OF TIME

When ordering same-day delivery (which normally comes at a cost to the consumer), is it really about same-day delivery? In most cases, no. Forty-three percent say they choose same-day delivery simply because they need it within two to three days. Similarly, 21% say they order via same-day delivery more as a guarantee that the parcel will actually arrive. It seems, especially given the fulfilment delays and associated issues over the last few years, shoppers view same-day delivery more as a way to provide certainty.

Just over a quarter (29%) say they order via same-day delivery because they actually need it on that day.

## WHEN YOU CHOOSE SAME-DAY DELIVERY, DO YOU ACTUALLY NEED IT ON THE DAY?

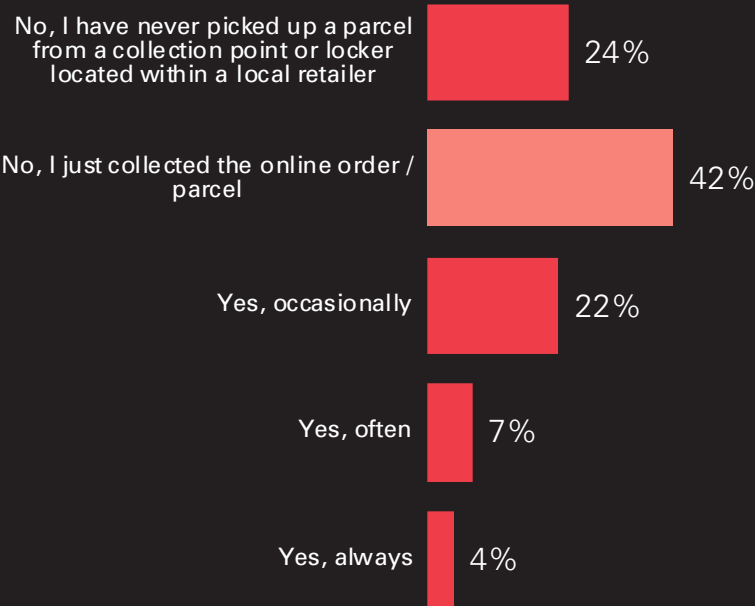


## RETAILERS WHO ALSO OFFER PARCEL COLLECTION SERVICES CAN BENEFIT FROM UNINTENDED UPSELL

A third of shoppers (33%) say they have picked up an order via a PUDO point located within a retailer and then made another purchase at the time of pick up. 22% of those make this purchases occasionally, while 11% say they make a purchase while picking up an online order always or often.

It does show the benefit to retailers here with an unintended upsell, and highlights that there could be further opportunities for retailers who offer Click & Collect to drive more sales.

### IF YOU HAVE PICKED UP AN ONLINE ORDER FROM A COLLECTION POINT OR LOCKER LOCATED WITHIN A LOCAL RETAILER, DID YOU MAKE ANOTHER PURCHASE FROM THAT RETAILER AT THE TIME OF PICK UP?

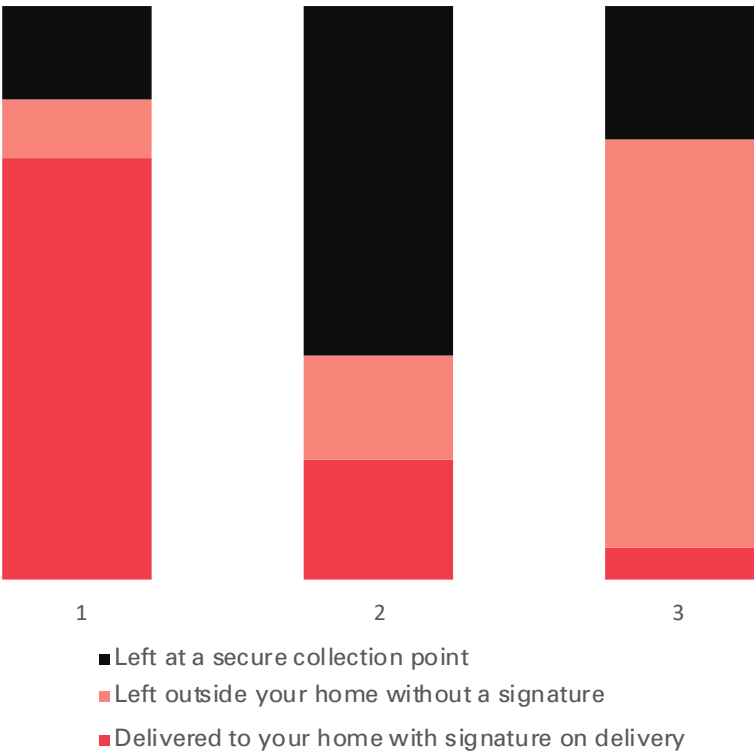


## THERE IS COMPLEXITY IN DELIVERING HIGH VALUE ITEMS

The majority say their preferred delivery method for a high value item is delivery to home with a signature. Delivery to a secure collection point comes in second position, with delivery to home address without a signature coming in third place.

This shows the complexity of delivering high value items, especially in a situation where shoppers are not home to sign for their items. Retailers who sell high value items should definitely consider including a PUDO point option at check out.

### FOR A HIGH VALUE ITEM, PLEASE ORDER THE BELOW PREFERRED DELIVERY METHODS IN ORDER OF PREFERENCE:



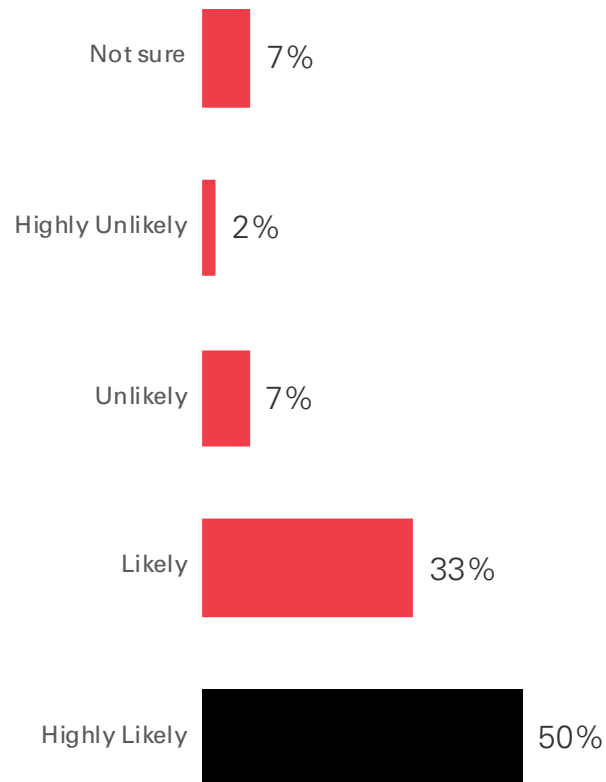




## DELIVERY PRICING INFLUENCES SHOPPER BEHAVIOUR

An enormous 83% of shoppers say they are likely or highly likely to use a PUDO point if delivery cost was cheaper or free. It shows the extent to which delivery pricing influences shopper behaviour.

**IF YOUR DELIVERY COST WAS CHEAPER OR FREE IF YOU PICKED UP FROM A COLLECTION POINT, HOW LIKELY IS IT THAT YOU WOULD USE THAT SERVICE?**

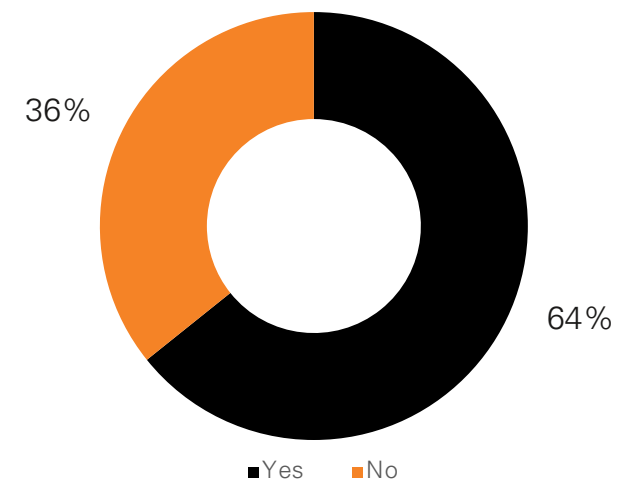


## PUDO POINT BEHAVIOUR

Overall, shoppers are slightly more likely to pick up a parcel from a PUDO location they have been to before such as their local pharmacy or newsagent (55%).

Just under half (45%) say they have collected a parcel from a location they have never been to before.

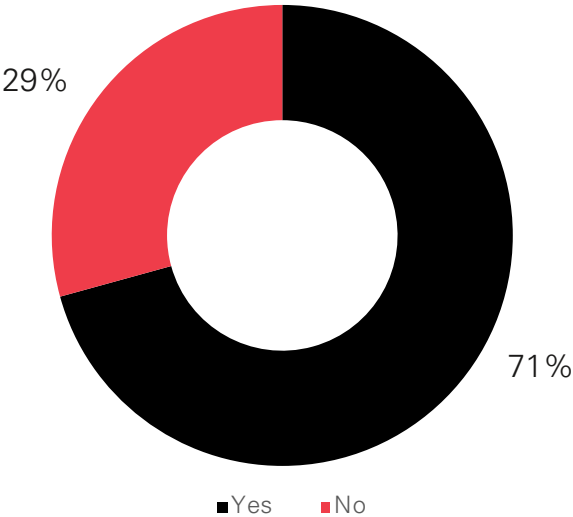
**WHEN COLLECTING YOUR PARCEL FROM A COLLECTION POINT, HAS THIS EVER BEEN THE FIRST TIME YOU HAVE BEEN TO THAT PARTICULAR LOCATION?**



## RETURNS CONTINUE TO BE A SIGNIFICANT PART OF ONLINE SHOPPING

We know that returns are common practice. Almost three quarters (71%) of shoppers say they have returned an item they have bought online.

### HAVE YOU EVER RETURNED AN ITEM YOU BOUGHT ONLINE?

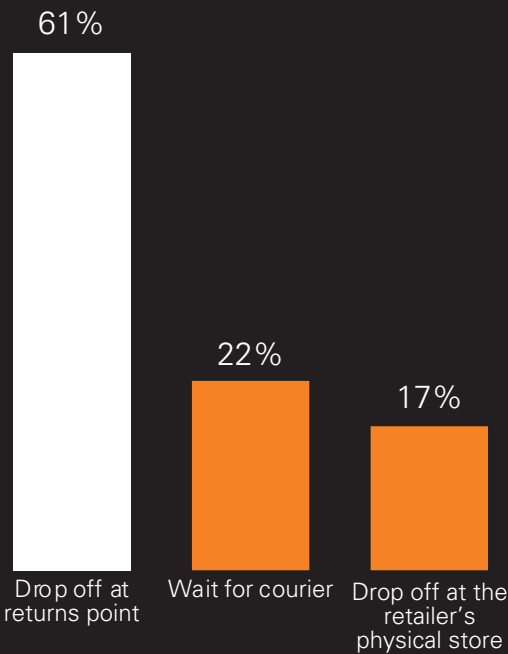


## RETAILERS CAN BENEFIT FROM OFFERING ALTERNATIVE LOCATIONS FOR RETURNS

When making a return, 61% say they would prefer to drop off their parcel to a PUDO point rather than wait for a courier (22%) or drop off in store (17%).

This gives retailers an idea of what shoppers find convenient or more efficient.

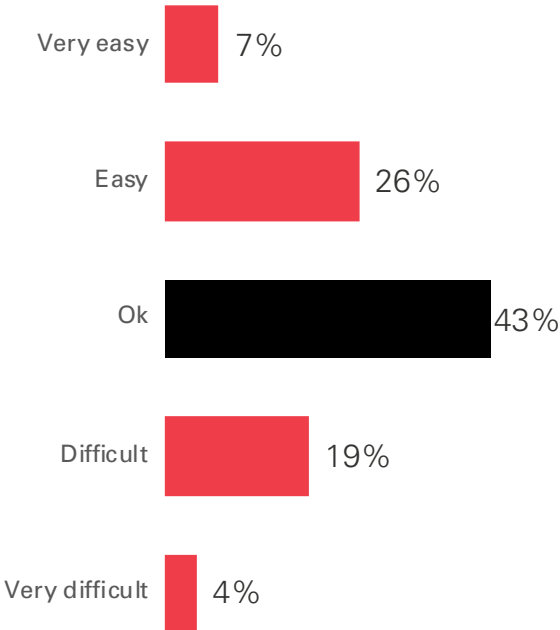
### AFTER MAKING A PURCHASE ONLINE, WOULD YOU PREFER TO DROP OFF YOUR RETURNS TO A RETURNS POINT (EG. LOCAL CONVENIENCE STORE, PARCEL LOCKER OR PHARMACY) OR WAIT FOR A COURIER TO COLLECT IT FROM YOUR HOME?



## THERE IS ROOM FOR IMPROVEMENT IN TERMS OF THE RETURNS EXPERIENCE

Generally, consumers find the returns experience 'ok' (44%) showing there is room for improvement here. A higher proportion (33%) say they find it easy or very easy compared to the 23% who say they find it difficult or very difficult.

### TYPICALLY WHEN YOU RETURN ONLINE PURCHASES, HOW WOULD YOU RATE THE RETURNS EXPERIENCE?



## COST IS A FACTOR FOR CONSUMERS WHEN IT COMES TO RETURNS

Consumers say they would be more likely to buy from a retailer if, when making a return to a PUDO point, a retailer made an immediate refund for that purchase (82%).

Again, with pricing coming into play here, almost all consumers surveyed (95%) say they would prefer to make a return to a PUDO point if it was cheaper than returns by post.

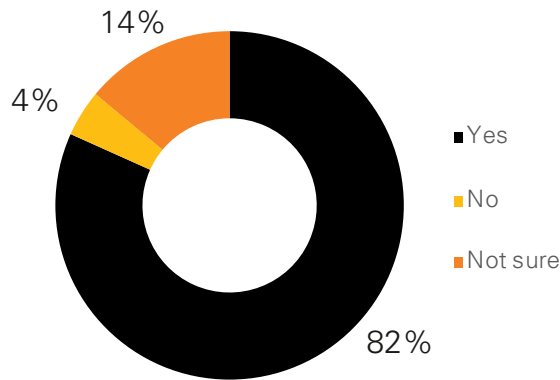
## TRANSPARENCY IS IMPORTANT TO CONSUMERS WHEN IT COMES TO SUSTAINABILITY

Generally, shoppers would like low carbon delivery options to be labelled, to help them make decisions at check out (45%).

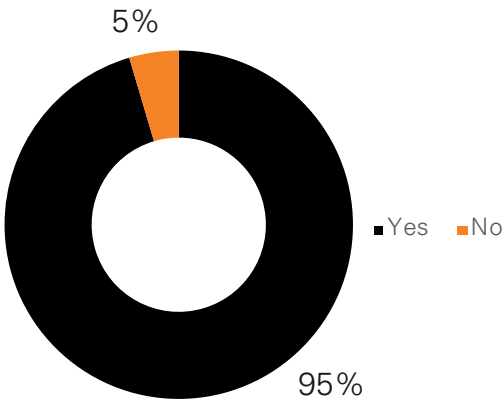
It shows the extent to which communication and transparency is valued by shoppers.

With the sustainability of PUDO, this is definitely something that retailers should make clear on their websites.

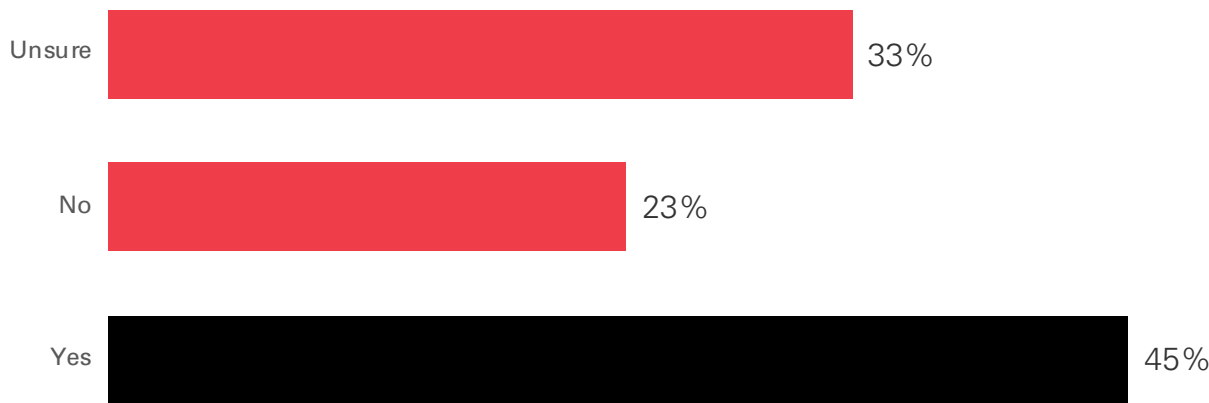
IF YOU KNEW THAT A RETAILER REFUNDED IMMEDIATELY IF YOU USED A RETURNS POINT TO DROP OFF YOUR RETURN PARCEL, WOULD YOU BE MORE LIKELY TO BUY FROM THEM?



WOULD YOU PREFER TO RETURN TO A PICK UP/DROP OFF POINT IF IT WAS CHEAPER THAN RETURNING THE ITEM BY POST?



WOULD YOU LIKE ONLINE RETAILERS TO LABEL DELIVERY METHODS WITH LOW EMISSIONS AS “LOW CARBON” ON THEIR CHECK OUT PAGES TO HELP YOU CHOOSE THE MOST CARBON FRIENDLY OPTIONS?





**THE MAJORITY OF CONSUMERS ARE AWARE THAT COLLECTION POINT NETWORKS ARE THE BEST DELIVERY OPTION IN TERMS OF SUSTAINABILITY AND THE ENVIRONMENT.**

While 36% say they wouldn't be impacted in terms of delivery if carbon emission volumes were stated, this means that 64% either would or might be impacted while purchasing. Definitely something to consider.

Consumers are quite aware when it comes to the environment, with almost half of those surveyed (49%) correctly saying they think Collection Points create the lowest overall CO2 for parcel delivery.

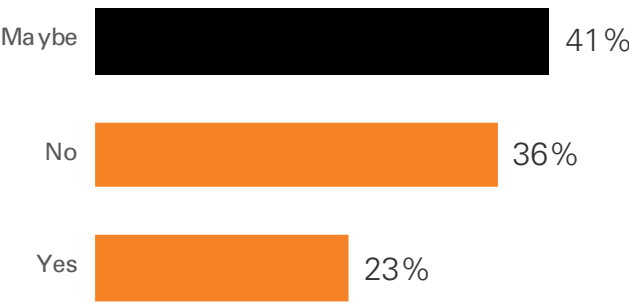
37% were unsure, and 14% did say home delivery, so there is some more education required here.

**CONSUMERS HAVE A HIGHER PROPENSITY TO BUY FROM A RETAILER THAT OFFERS DELIVERY OPTIONS WITH REDUCED CARBON EMISSIONS.**

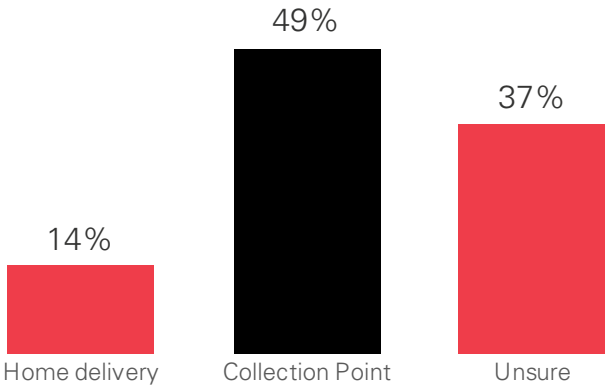
42% say they know (correctly) that picking up or dropping off a parcel from a PUDO point is more sustainable than home delivery.

The majority (~64%) say their purchase behaviour would be influenced by an e-commerce store that offered reduced CO2 / lower carbon emission delivery options at least sometimes (40%) or definitely (24%).

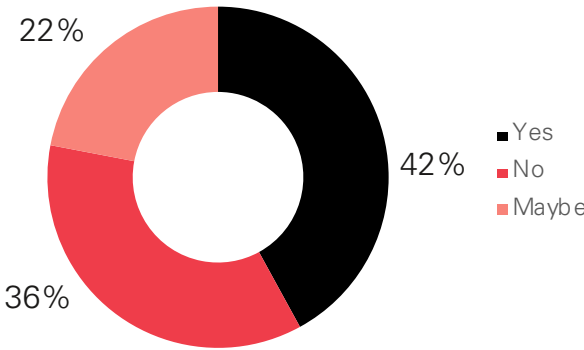
**IF AN ONLINE RETAILER STATED THE VOLUME OF CARBON EMISSIONS GENERATED WITH EACH OF THEIR DELIVERY OPTIONS, WOULD IT IMPACT YOUR CHOICE OF DELIVERY WHEN PURCHASING?**



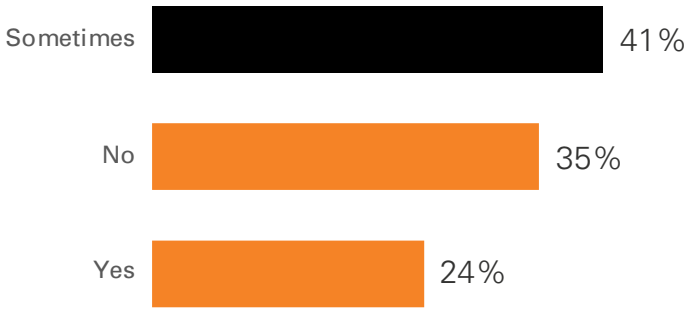
**WHICH DO YOU THINK CREATES LESS OVERALL CO2 FOR PARCEL DELIVERY?**



**DID YOU KNOW THAT PICKING UP OR DROPPING OFF A PARCEL FROM A PICK UP/DROP OFF POINTS IS MORE SUSTAINABLE FOR THE ENVIRONMENT THAN HOME DELIVERY?**



**WOULD AN E-COMMERCE STORE THAT OFFERED REDUCED CO2 / LOWER CARBON EMISSION DELIVERY OPTIONS INFLUENCE YOUR DECISION ON WHETHER YOU WOULD BUY FROM THEM?**



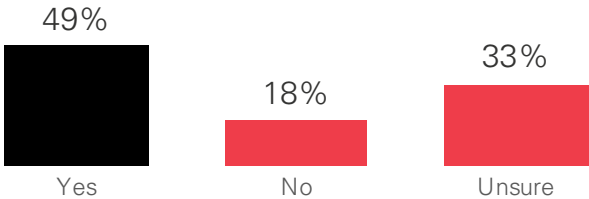
# CONSUMERS WANT SUSTAINABLE RETAIL PRACTICES BUT DON'T WANT TO PAY FOR IT

Almost half (49%) of those surveyed said they would like more retailers to deliver parcels to PUDO points to reduce carbon emissions.

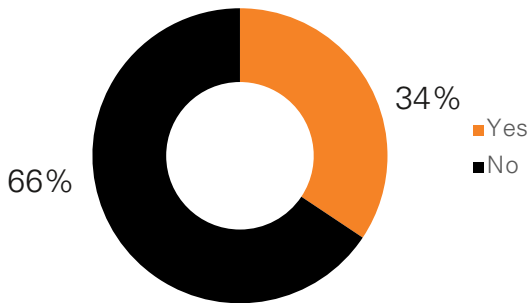
However, when it comes to sustainability, the majority (66%) aren't prepared to pay for it.

Retailers should be able to see the logistics cost-benefit of volume of delivery.

## WOULD YOU LIKE MORE RETAILERS TO DELIVER PARCELS TO PICK UP/DROP OFF POINTS, TO HELP REDUCE CARBON EMISSIONS?



## WOULD YOU PAY SLIGHTLY MORE (UP TO \$2) TO ENSURE YOUR ITEM WAS DELIVERED TO A SUSTAINABLE COLLECTION POINT RATHER THAN TO YOUR HOME?

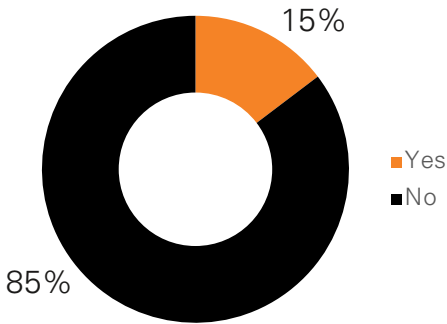


# 15% SAY THEY HAVE HAD A PARCEL STOLEN FROM THEIR PROPERTY

The majority (58%) have a safe spot outside their home for online deliveries.

With 15% saying they have had a parcel stolen from their property, more secure locations may become necessary for delivery.

## HAVE YOU EVER HAD A PARCEL STOLEN FROM YOUR PROPERTY?



## DO YOU HAVE A SAFE SPOT OUTSIDE YOUR HOME — A SPOT THAT DOES NOT POSE RISK OF THEFT — FOR YOUR ONLINE SHOPPING PARCEL/S?



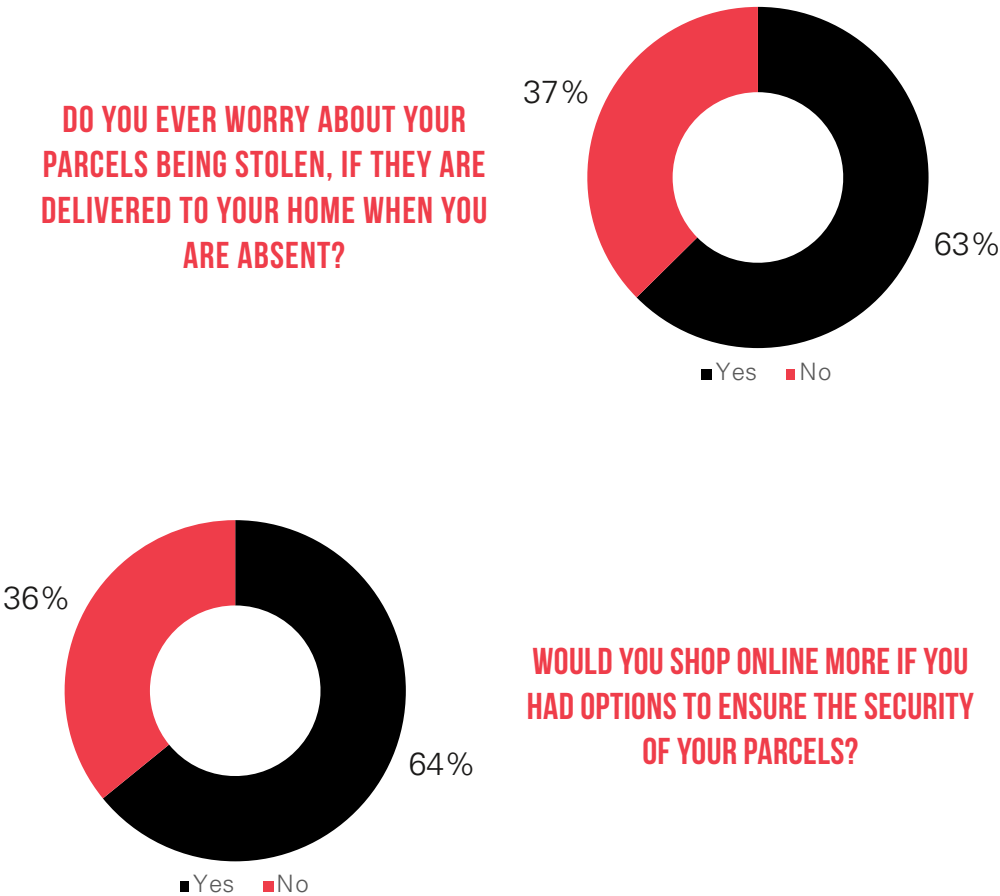
## THE MAJORITY ARE CONCERNED ABOUT PARCEL THEFT AND THIS IMPACTS BUYING BEHAVIOUR

While those who have experienced parcel theft are in the minority, the vast majority (63%) still worry about parcels being stolen when they are not home.

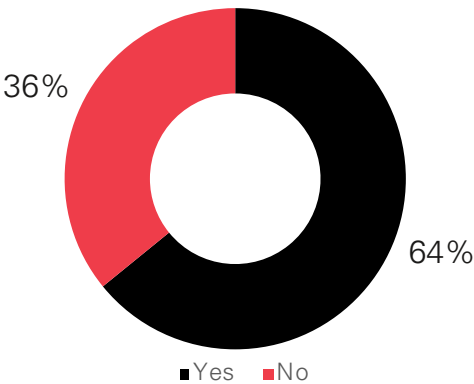
Similarly, the majority (64%) say they would shop online more if they have more options to ensure the security of their parcels.

This does show that concerns around safety of parcels when delivered to a home address do impact online shopping behaviour.

DO YOU EVER WORRY ABOUT YOUR PARCELS BEING STOLEN, IF THEY ARE DELIVERED TO YOUR HOME WHEN YOU ARE ABSENT?



WOULD YOU SHOP ONLINE MORE IF YOU HAD OPTIONS TO ENSURE THE SECURITY OF YOUR PARCELS?



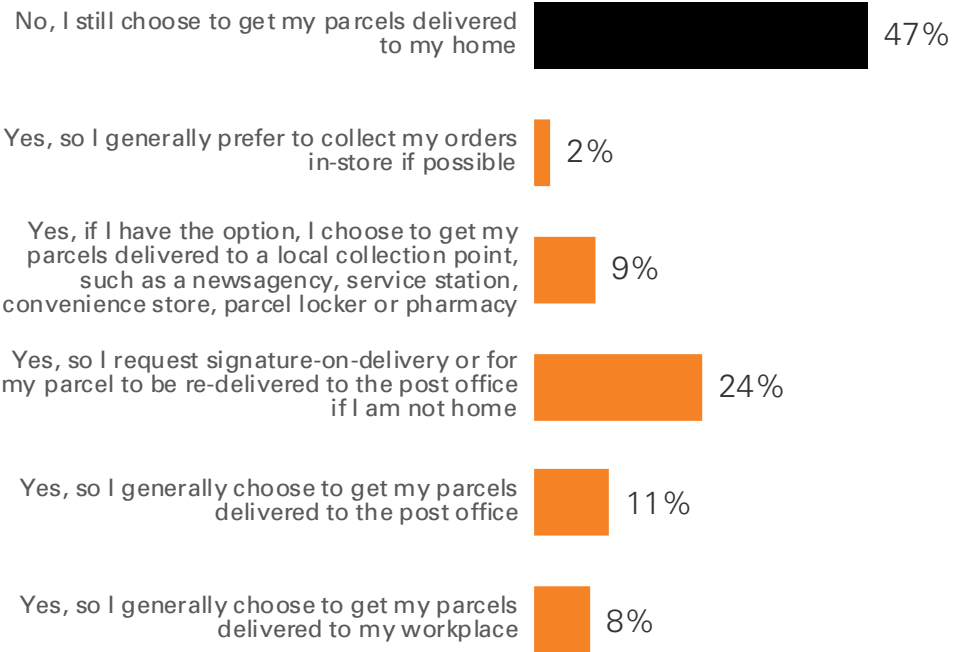
## FOR THE MAJORITY, THE FEAR OF PARCEL THEFT INFLUENCES DELIVERY CHOICE

Again, the majority (53%) say that the fear of parcel theft does influence where and how they get their parcels delivered.

It's important for retailers to ensure that consumers are aware of PUDO point options.

The most popular option is signature-on-delivery (24%) followed by the post-office (11%) with PUDO points in third place (9%). This is ahead of workplace deliveries at 8%. Very few prefer to collect in-store (2%).

THINKING ABOUT WHEN YOU PLACE AN ONLINE ORDER, DOES THE FEAR OF PARCEL THEFT INFLUENCE WHERE AND HOW YOU CHOOSE TO GET YOUR PARCELS DELIVERED?

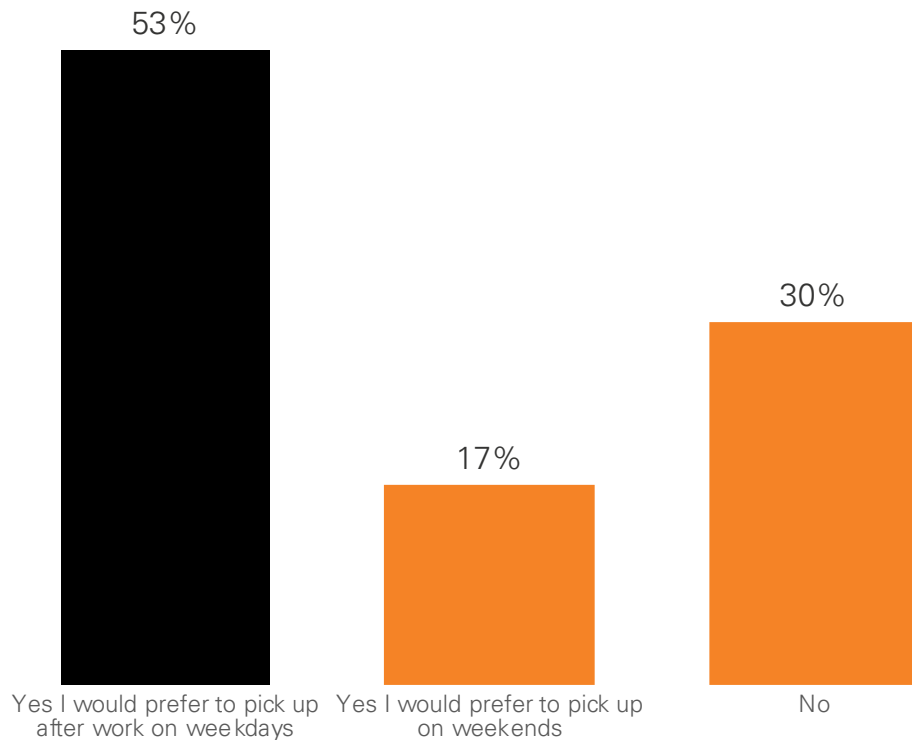




## THE MAJORITY WOULD PREFER TO PICK UP FROM LOCATION NEAR HOME OUTSIDE OF BUSINESS HOURS

The majority would like flexibility when it comes to picking up parcels, with 70% saying they would prefer to pick up parcels from a location near their home outside of business hours if available. For 53%, the preference is after work on weekdays, and for 17% the preference is weekend pick up.

**IF THE OPTION WAS AVAILABLE, WOULD YOU PREFER TO PICK UP YOUR PARCELS FROM A LOCATION NEAR YOUR HOME OUTSIDE OF BUSINESS HOURS?**



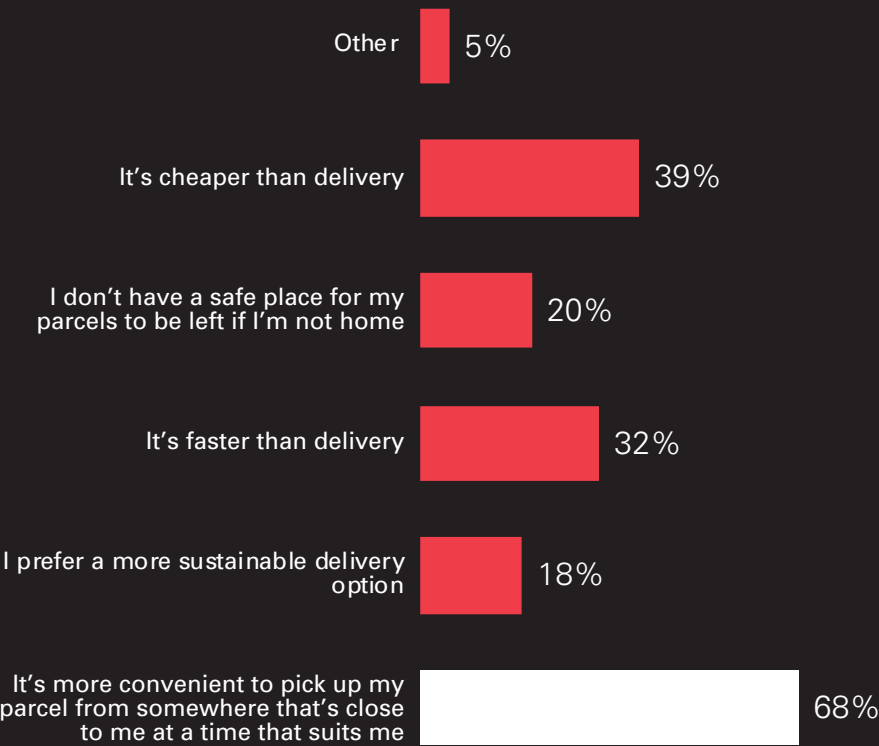
## CONVENIENCE IS DRIVING CLICK & COLLECT AND PARCEL COLLECTION

What's driving parcel collection or Click & Collect? Convenience is key. The majority (68%) say it's more convenient to pick up their parcel from somewhere close to home at a time that suits them. Delivery price (39%) and speed (32%) comes into play here too, with 20% saying that not having a safe place for parcels to be left at home is what would lead to parcel collection rather than home delivery.

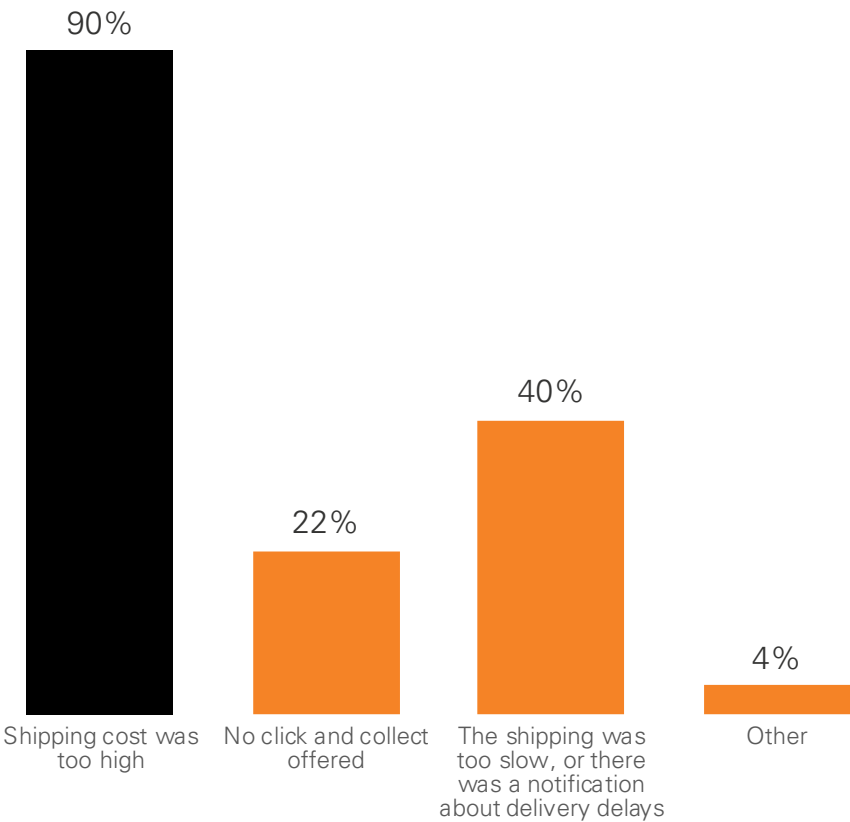
## HIGH SHIPPING COSTS LEAD TO CART ABANDONMENT

What's driving cart abandonment? The clear driver is shipping costs, for almost all survey respondents (90%). Slow shipping or delivery delays is an issue for 40%, with no Click & Collect a reason to abandon cart for almost a quarter of consumers (22%).

### WHAT ARE SOME OF THE REASONS THAT YOU WOULD CHOOSE TO USE PARCEL COLLECTION LOCATION / OR CLICK & COLLECT AS A DELIVERY OPTION?



### HAVE YOU EVER ABANDONED YOUR CART FOR ANY OF THE FOLLOWING REASONS?



# OVERVIEW

While this report covered many aspects of the online shopping experience, there were some common themes. For example, retailer transparency is vital and consumers want options and flexibility, whether it's for delivery or returns.

**These key takeaways highlight the ways in which retailers can utilise consumer insights to ensure their strategy is on track:**

- The last two years may have pushed shoppers online, but they're here to stay. In the last three months alone, almost all consumers surveyed (a massive 91%) say they have made an online purchase.
  - Retailers need to ensure they are making the most of sales events. More than three quarters of consumers surveyed (79%) have made an online purchase in the lead up to the Christmas / holiday period.
  - Shoppers want certainty when it comes to delivery. Forty-three percent say they choose same-day delivery simply because they need it within two to three days.
  - The opportunities for upsell at retailer PUDO points is enormous. A third of shoppers (33%) say they have picked up an order via a collection point located within a retailer and then made another purchase at the time of pick up.
  - Almost three quarters (71%) of shoppers say they have returned an item they have bought online. Sixty-one percent say they would prefer to drop off their parcel to a PUDO point rather than wait for a courier (22%) or drop off in store (17%).
  - The majority (~64%) say their purchase behaviour would be influenced by an e-commerce store that offered reduced CO2 / lower carbon emission delivery options at least sometimes (40%) or definitely (24%).
  - The vast majority of consumers (63%) worry about parcels being stolen when they are not home. Similarly, the majority (64%) say they would shop online more if they had more options to ensure the security of their parcels.
  - The majority (68%) say it's more convenient to pick up their parcel from somewhere close to home at a time that suits them, meaning the typical business-hours pick up needs to evolve.
  - What's driving cart abandonment? The clear driver is shipping costs, for almost all survey respondents (90%).
- The evolution of delivery means retailers need to ensure they have multiple shipping options at checkout, including PUDO points. It's clear that consumers want security, convenience, and choice in everything from pricing to delivery times.







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