



The Logistics Customer Experience Report 2021

A must-read for Parcel, Courier and
Package Delivery Companies.

The Topics Covered

PART 1

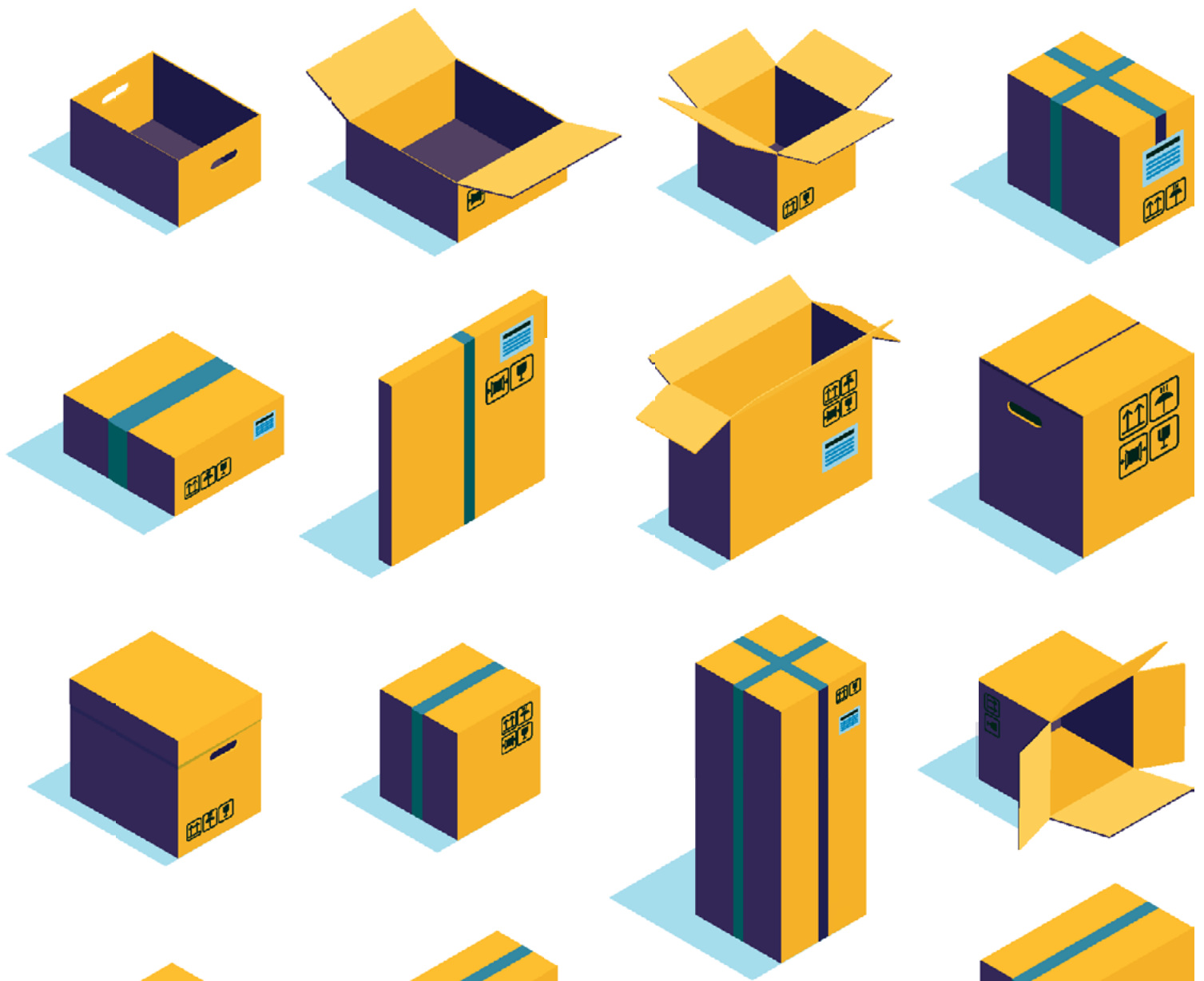
More customers than ever are shopping online.

PART 2

Customer Expectations.

PART 3

Key Insights.



Methodology

The Logistics Customer Experience Report 2021 offers an overview of logistics companies' offerings and customer expectations based on original survey data. The report then provides parcel delivery services, and retail executives with expert recommendations for charting a way forward and capitalizing on the shift to e-commerce in 2021 and beyond.

Online Shoppers

The consumer sentiment survey was compiled via a National Polling Service conducted across the course of a week last year.

750 Responses

750 respondents from varied backgrounds were asked about their online shopping behaviors and expectations with regard to fit and sizing.

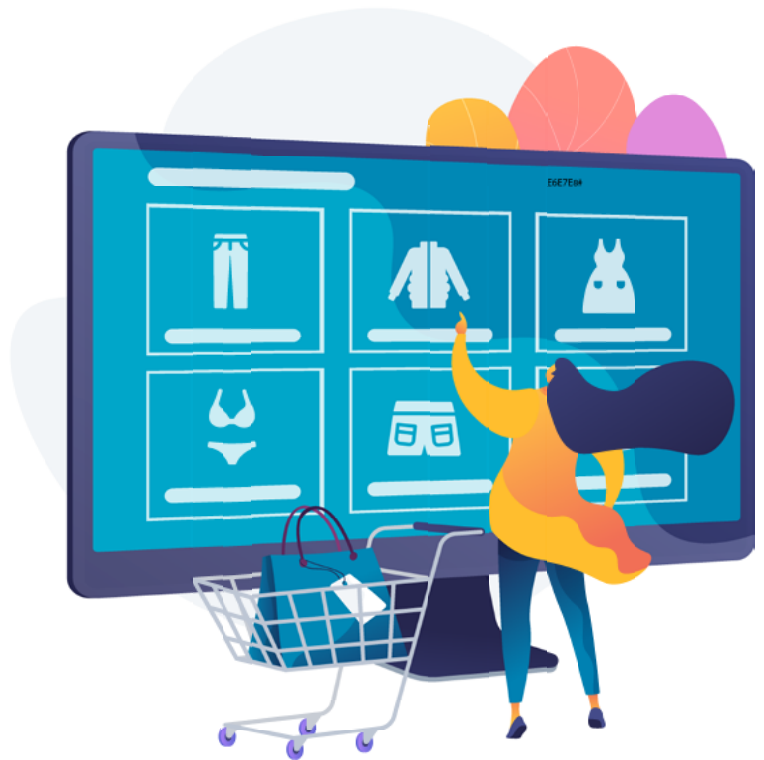
Age 18-64

The respondents were aged between 18 and 64 and were evenly split by gender.

Introduction

2020 marked a monumental shift towards e-commerce, with the sector growing an estimated 40%+ in the past year alone and reaching¹

\$839 Billion.



That shift has forced retailers to adapt and substantially increased both demands and expectations for third-party logistics players parcel delivery services who have an unprecedented opportunity. Those parcel delivery companies that can modernize and ensure a fast, frictionless delivery experience for their clients will gain more of the shift. At the same time, both businesses and individuals will abandon those that don't meet expectations.

This report combines original survey data on consumer expectations and examines the current state of logistics within the framework of those expectations. The report looks at areas such as customers' expectations regarding shipping costs, visibility, the environment, and the effect of issues occurring during the process.

Lastly, this report details some of the considerations and technologies that parcel shippers can examine and embrace to exceed customer expectations and ride rapidly growing shipping volumes driven by e-commerce in 2021.

¹Digital Commerce 360. 5 ecommerce data forecasts for 2020.

<https://www.digitalcommerce360.com/article/5-ecommerce-data-forecasts-for-2020/>

Customer Expectations Data Insights

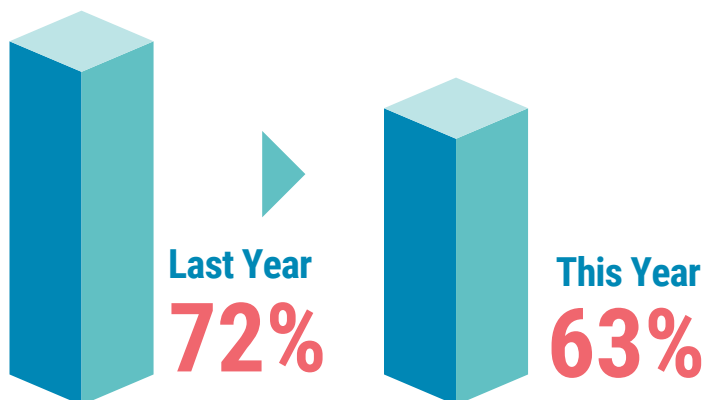
Most research around the issue has focused on three main categories:

SPEED

What the data says:

A significant majority of customers say that fast shipping is required to have a positive experience. Rising standards across the industry, driven in part by seller fulfilled orders and implementing of tech-driven solutions improve efficiency in an extremely competitive environment. Currently, 90%² of UPS ground parcel shipments move in one to three-day transit times, a high-bar for many, especially regional delivery services and FedEx offers 7-day a week service to ensure fast delivery times.

Fast shipping is important, but it is not as integral as it was last year.



63% say fast shipping is required for them to have a positive shipping experience. This is down from 72% last year.

66% say a free shipping option is also required. This is down from 76%³ last year.

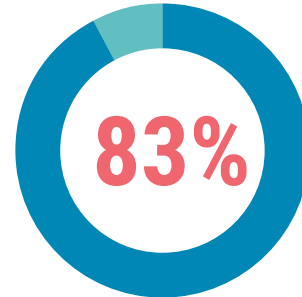
²FreightWaves (March 12, 2021) UPS needs to play weekend warrior to catch up to FedEx; <https://www.freightwaves.com/news/ups-needs-to-play-weekend-warrior-to-catch-up-to-fedex>

³Sendcloud (September 08, 2020). The latest e-commerce statistics 2020: 7 must-know market insights. <https://www.sendcloud.com/ecommerce-statistics/>

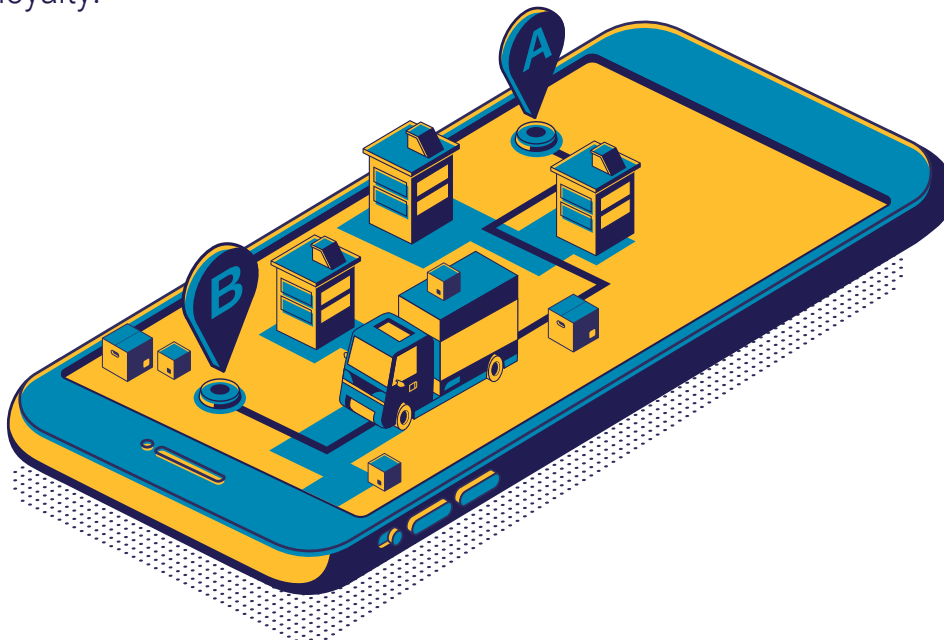
Tracking

What the data says:

More than three-quarters (83%)⁴ of shoppers expect regular communication about their orders.



97%⁵ of customers want to track orders and receive updates on their orders' status in transit. That expectation may seem like a tall order for many parcel delivery services, which oftentimes are stretched thin compared to e-commerce or food delivery companies due to major investments in infrastructure and skilled staff. Investment in a solution that will provide real-time visibility isn't just about fulfilling customer expectations either, for delivery services the capability means a better ability to resolve issues, save on customer service personnel and effort, while simultaneously bolstering customer loyalty.



⁴Narvar. (2018, April). Connecting with Shoppers in the Age of Choice.

<https://Corp.Narvar.Com/>. https://see.narvar.com/rs/249-TEC-877/images/Connecting%20With%20Shoppers_Narvar%20Consumer%20Report%20Q1%202018.pdf?aiid=1109557

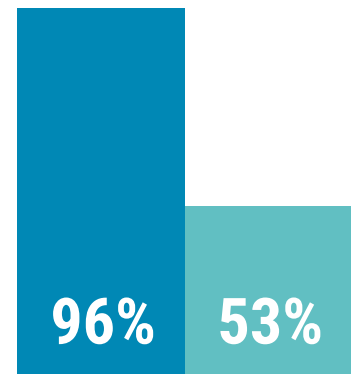
⁵ProShip(March 18, 2021) Customer Experience Part 1: Meeting Shipping Demands;

<https://www.proshipinc.com/about/news/customer-experience-part-1-meeting-shipping-demands>

Customer Support

What the data says:

96%⁶ of consumers expect package exceptions to be resolved while at least half (53%) of shoppers won't make a purchase if they don't know when it will be delivered.



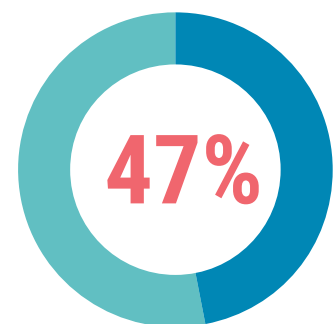
40%⁷ of customers said the post-purchase part of their brand experience is always the most memorable. The moment a customer hits the buy button, their customer support expectations are incredibly high. If products do not arrive on time or in perfect condition, the ability to provide a good customer support experience becomes crucial. 96% of consumers globally choose a brand and stay loyal to it based on customer service.

Cost

Customers expect efficient shipping and are willing to sacrifice a bit for free, but free or cheap offerings have a high price for those fulfilling parcel deliveries. It often means less than optimal vehicle capacity and almost inevitably results in more returns, but standards must be met to keep up with both steadily rising customer expectations, to provide a competitive service for retailers, for whom Amazon's free 1-2 day shipping options, and match service improvements by leading parcel delivery services.⁸

What the data says:

47%⁹ of consumers would be likely to pay more for expedited shipping, up from 31% last year; 66% expect merchants to offer a slow but free delivery option too.



87%¹⁰ of today's customers are willing to wait for two or more days to receive free shipping. 5% of online shoppers abandon their carts because of unexpected extra costs.

⁶Convey. Retail Delivery Statistics and Online Consumer Behavior. <https://www.getconvey.com/resource/retail-delivery-statistics-2/> ⁷Convey (November 03, 2017) It's Time to Stop Ignoring the Post-Purchase Experience; <https://www.getconvey.com/blog/stop-ignoring-post-purchase/#:~:text=In%20fact%2C%2040%25%20of%20shoppers,vendors%20consistently%20meet%20their%20expectations!> ⁸BBC News (March 12, 2021) Royal Mail to pilot Sunday parcel delivery. <https://www.bbc.com/news/business-56362491> ⁹Fagerland, M. (2020, December 7). What Ecommerce Shoppers Think About Shipping and Fulfilment in 2020. ShipStation. <https://www.shipstation.com/blog/what-ecommerce-shoppers-think-about-shipping-and-fulfilment-in-2020/> ¹⁰Roesler, P. (2021, January 5). Why Free Shipping Is a Must. Inc.Com. <https://www.inc.com/peter-roesler/why-free-shipping-is-a-must.html>

Customer Expectations

Poll Insights

A large percentage of customers are more likely to shop online, driving up volumes for parcel delivery services and in-house logistics operations.

63% of those surveyed were either “more likely” or “much more likely” to shop online

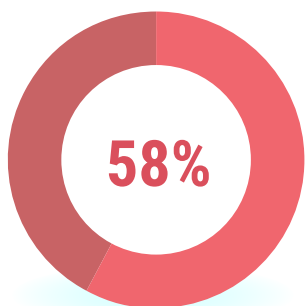


Non-Amazon fulfillment experiences have been mostly forgettable.

Only 35% of consumers reported a “great” experience with non-Amazon fulfillment, with the rest reporting neutral or negative experiences.

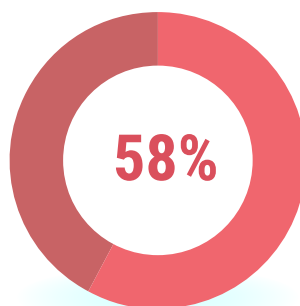
Customers expect a flawless fulfillment experience.

Nearly 80% of respondents said that a delivery experience free of issues was at least “important,” with almost 58% going as far as labeling it “extremely important.”



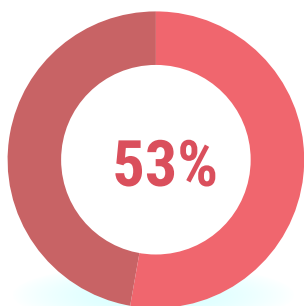
Parcel delivery services that add transparency to the pricing process will win over customers

58% of those polled said that if offered an app that simplifies shipping costs, they will be more likely to use the service again, while nearly a quarter of all respondents claimed that they were “much more likely” to ship through the service.



Shipping costs are an important issue in consumers’ decision to become loyal or leave.

58% either “will not” or are “unlikely” to use a shipping service again if they receive any additional charges after shipping their package.



Going green means making green when it comes to parcel delivery.

53% would be more likely to ship their parcel with an environmentally friendly provider.

What Does All This Mean For Logistics Companies?

Customers want fast, transparent, and free (or low-cost) deliveries that are perfect, and when they're not, they want issues resolved quickly. That's what the data says now and it's a tall order for every parcel delivery service apart from several of the behemoths. Adding to the challenge is the fact that big retailers are developing their own complex, data-driven logistics operations. Many logistics companies are stuck between a rock and a hard place: rising expectations from consumers and a need to innovate and stay relevant to remain an option for retailers.



But they're not without options...

Empower Customers To Leverage Their Own Devices



Our research found that consumers would likely develop loyalty to those offering an app to calculate shipping costs. That's because the initial cost is usually based on DIY measurements by customers' that are often inaccurate and leave them with extra charges once the package is reassessed at the warehouse.

Deploying a solution such as **BoxSize** solves that issue, ensuring seamless delivery and engaging customers with a "wow" factor. Additionally, the app can be used to provide a more transparent chain of custody with geo-location tagging and better updates. And lastly, it contributes to reducing costs by providing operational efficiencies, such as package volume that is aligned with operational resources in real-time.

Employ Data Analytics & Machine Learning

Most shippers recognize the problem, with polling indicating that 93%¹¹ of shippers and **98% of third-party logistics companies believe that data analytics is critical to making intelligent decisions.** The same research found that **71%¹² believe that big data improves quality and performance.** However, recognizing the need, although a crucial first step, falls far short of understanding the different options available to them and being able to choose the best option.

The transformative power of data analytics and machine learning on logistics, transportation, and the supply chain, goes far beyond knowing when a package will arrive at a distribution center. Companies can use account pattern data to more accurately predict the time it takes for each delivery and plan accordingly. Think about a driver knowing ahead of time that he's heading to a neighborhood where parking is difficult, or that the customer lives in an apartment on the 5th floor, with no elevator.



¹¹Navata. (2021, February 23). Is Logistics Data Reliable - Navata 202.
<http://www.navata.com/cms/logistics-data/>

¹²Benaddi, P. (2020, August 20). Impact of Predictive Analytics on Supply Chain. Daa Cap.
<https://www.daacap.com/impact-of-predictive-analytics-on-supply-chain/>

Commit To Digital Fitness As A Company Value



While the supply chain will always be affected by factors beyond human control, warehouses that aren't managed efficiently put logistics companies at a major disadvantage straight out of the gate. **A recent study found that only 20 to 30%¹³ of warehouses are operating as efficiently as they could**, creating the potential for millions of dollars in revenue lost.

Adopting and embracing **digital fitness for a logistics company means a streamlined operations process that's good for customer satisfaction and the bottom line**. We are just over a year into the COVID-19 pandemic, the seismic shift away from brick-and-mortar retail shows no signs of letting up, and logistics companies with a solid digital plan have come out on top. Digital fitness was declared a "prerequisite for success" by a recent PWC¹⁴ report.

¹³Importance of a Warehouse Management System. (2020, December 31). Cherry's Industrial Blog.
<https://cherrysind.com/blogs/importance-warehouse-management-system>

¹⁴PWC. (2018). Shifting Patterns: The future of the logistics industry.
<https://www.pwc.com/gx/en/transportation-logistics/pdf/the-future-of-the-logistics-industry.pdf>

Embrace Environmentally Friendly Options

As consciousness around environmental impact grows, more and more consumers are actively seeking out green businesses. More than half of those in the 25-34 and 35-44 age groups said they were concerned about the environment. **53% of consumers said they would be more likely to ship their parcel with an environmentally friendly logistics provider, and 54% said they are likely or most likely to return to a logistics service they knew had positive environmental practices.** This is in line with the overall trend of consumers patronizing businesses that match their values.

Sizing technology means that logistics companies are able to more efficiently utilize the resources they have, protecting both the environment and the company's bottom line. MySize parcel measurement increases delivery efficiency by helping operations teams make sure that a truck is properly packed to use each inch of available space. This leads to a smaller number of half-packed trucks on the road, decreasing emissions and fuel consumption. Logistics companies that use sustainable or recycled packaging for parcels should also consider this a huge selling point for customers. **Just 5.4% of respondents said they'd be less likely to use a company that works with sustainability and the environment in mind,** so the future looks bright for companies willing to embrace environmentally sound practices now.



About BoxSize by MySize

BoxSize is the connected, handheld parcel measuring solution for the mail and logistics industries.

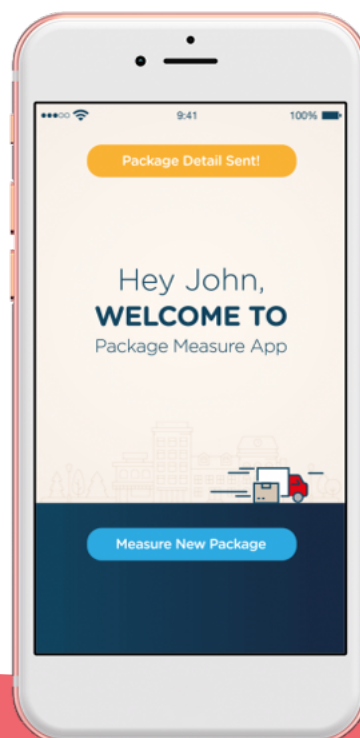
BoxSize is an intuitive parcel measurement application that allows cargo / courier companies to easily measure the size of their parcels with their smartphones & Mobile Android Terminals, calculate shipping costs and arrange appropriate pick-up time by empowering their customers / forwarders.

Instead of manually entering the width - height - depth information in an application, it can be taken directly from the mobile application and calculates package volume measurements instantly.

BoxSize provides continuous accurate logistic data to cargo, courier/parcel companies and warehouses to better manage their processes, even before the package reaches the company's distribution center.



[Learn more about BoxSize](#)



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