

Many happy returns

Here at Hermes we've recently commissioned an International report into Usage and Attitudes towards Parcel Deliveries.




Now in its fifth year, this independent research is designed to track trends in purchasing habits and delivery requirements, as well as exploring attitudes to existing services and needs of online shoppers across three European countries. It is our aim to provide valuable insight not only to our customers, but also to the wider retail community. We're committed to gaining a better understanding of how the international consumer buys online, as well as demonstrating our support for the continued growth in internet shopping, both in the UK and overseas.

The research was carried out by BDRC Continental, an independent full service market research agency with over 20 years specialising in transport, logistics, travel, and hospitality research. BDRC have experience of carrying out surveys in over 80 countries and this year we have expanded our sample to include 1,000 online shoppers from France, in addition to the 2,000 people in the UK and 1,000 people in Germany who had taken deliveries from e-retailers at least three times in the preceding three months. We've also included new insights into how consumers shop online, such as research into multichannel shopping behaviours and the returns process.

How research helps

At Hermes, as the UK's leading consumer delivery experts, we want to make sure that the parcel recipient is receiving the customer experience they deserve. That's why it's important for us to use our research findings to tailor our offering and make the services we have work as hard as they can. Last year we introduced an industry-first Sunday delivery service, as a result of findings from our 2012 report, which showed 59% of people had asked to receive parcels on Sundays. This year's report again gives us a valuable insight into international delivery preferences and has allowed us to think about how we can improve our services once more. We've outlined some of the most important findings in this white paper to help you discover ways in which your business can really make the returns process as smooth and hassle-free as possible.

VIEWS ON RETURNS

	Number of items returned in the last 3 months (on average)	The top 3 reasons for returning the last item	Posted the item at the retailer's expense; this was the most used method of return	Said it was easy to return the item	Were satisfied with the returns process
	2.1	54% it didn't fit 27% I didn't like it 27% the item was faulty	27%	91%	89%
	2.3	65% it didn't fit 33% I didn't like it 20% the item was faulty	66%	96%	94%
	1.9	46% it didn't fit 28% the item was faulty 24% I didn't like it	34%	88%	83%

Base: All regular online shoppers (UK 2,003, Germany 1,003, France 1,000); All who made returns (UK 868, Germany 495, France 322)
Q57, Q58, Q59, Q60, Q61, Q62, Q63

Product descriptions are heavily relied upon when online shopping, as this is the only way to get a feel for the product being bought when it isn't physically there. UK online shoppers are the firmest believers that clearer information online would reduce the need for returns, with 44% of respondents agreeing. Germany and France both have a similar perception, with roughly a third of people agreeing that clearer descriptions would help. Between 10% and 15% across all three countries strongly agree that clarity in online product descriptions would help them to cut down on returns.

Most respondents had returned 2 parcels in the last 3 months, with Germany returning slightly more. The most common returns method was to post the item back at the retailers' expense.

A much higher percentage - 66% - used this service in Germany, which may explain their higher level of agreement that returns are easy. This is compared to almost half that amount using this service in France, and even less in the UK, who instead tend to request a collection by courier, or post the return at their own expense. Overall there were high levels of satisfaction with the returns process, with the lowest being 83%. In summary 69% of respondents are in agreement that the returns process was easy so there's still much room for improvement.

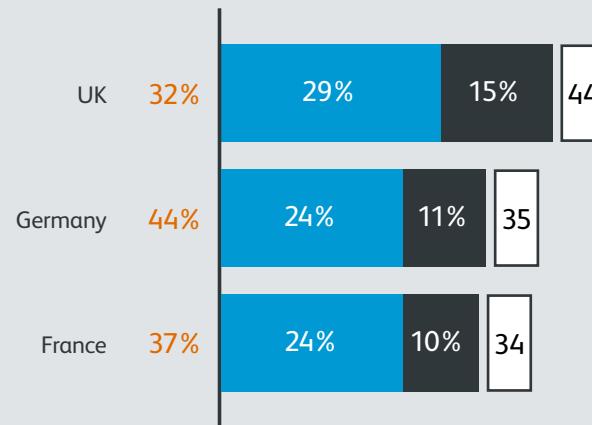
RETURNS

We asked online shoppers who had returned an item with the last three months the reason behind returning an item and how easy it was to make a return:

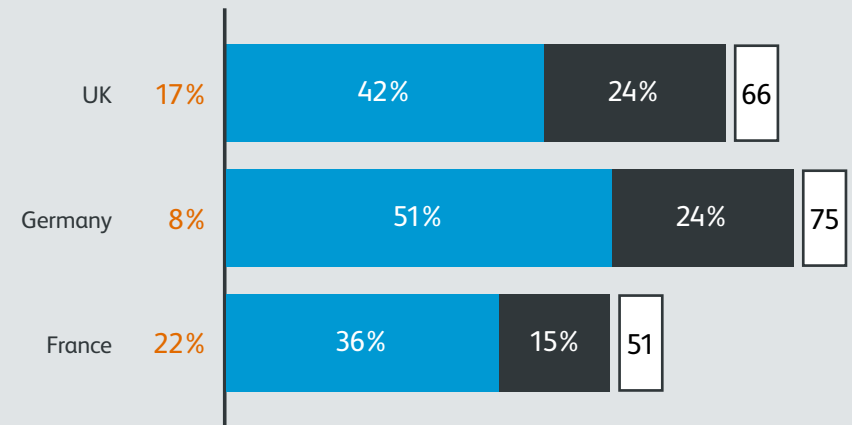
% who agree strongly or slightly with each statement



If the product information was clearer on the website
I would not need to return as many items as I do



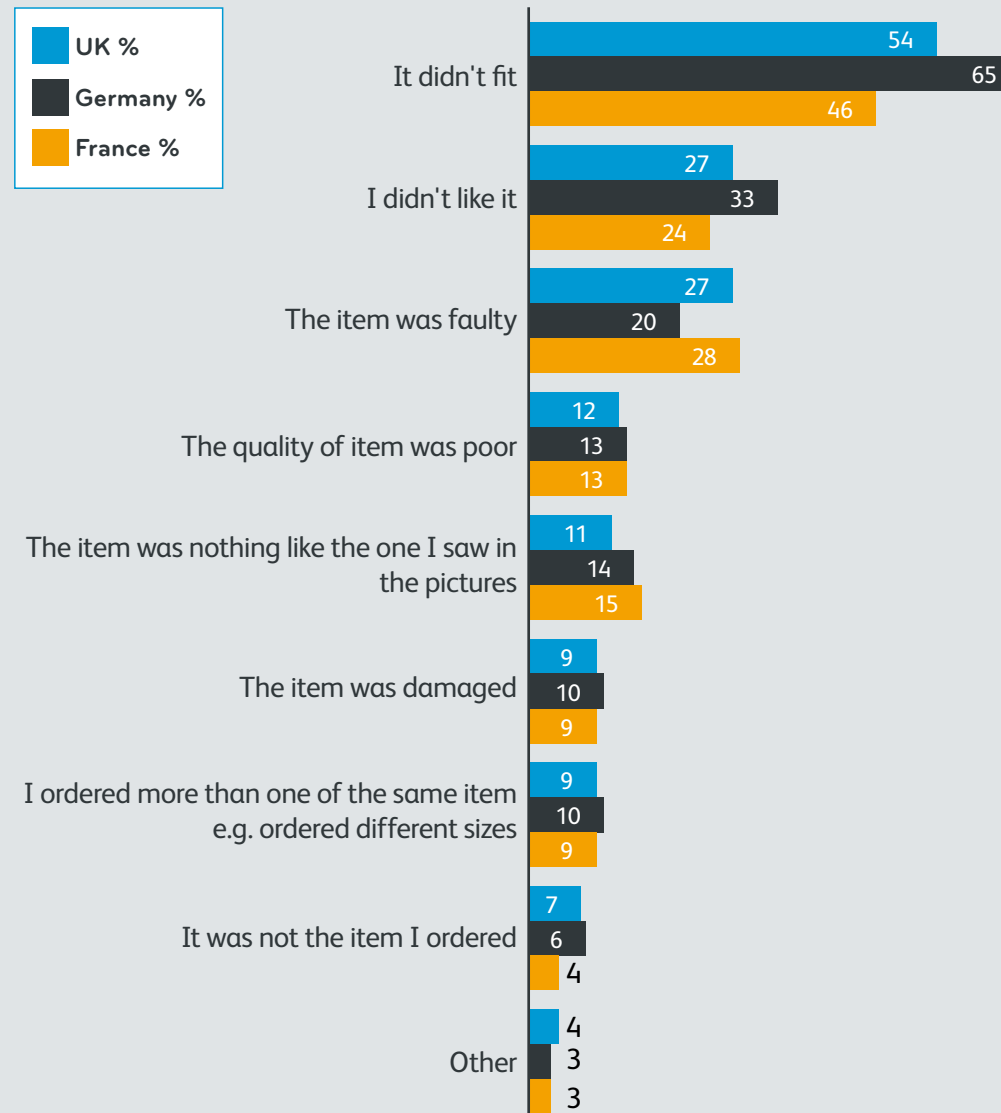
It is easy to return items



When it comes to returning items people seem to be generally quite happy. France on the other hand has the highest percentage of people who think returns are difficult at 22%, whereas in Germany the figure drops to only 8%. Over half of those surveyed agreed that it is easy to return items, with figures rising to 75% in Germany.

Base: All regular online shoppers (UK 2,003, Germany 1,003, France 1,000) Q10, Q11

REASONS FOR RETURNING THE ITEM PURCHASED ONLINE



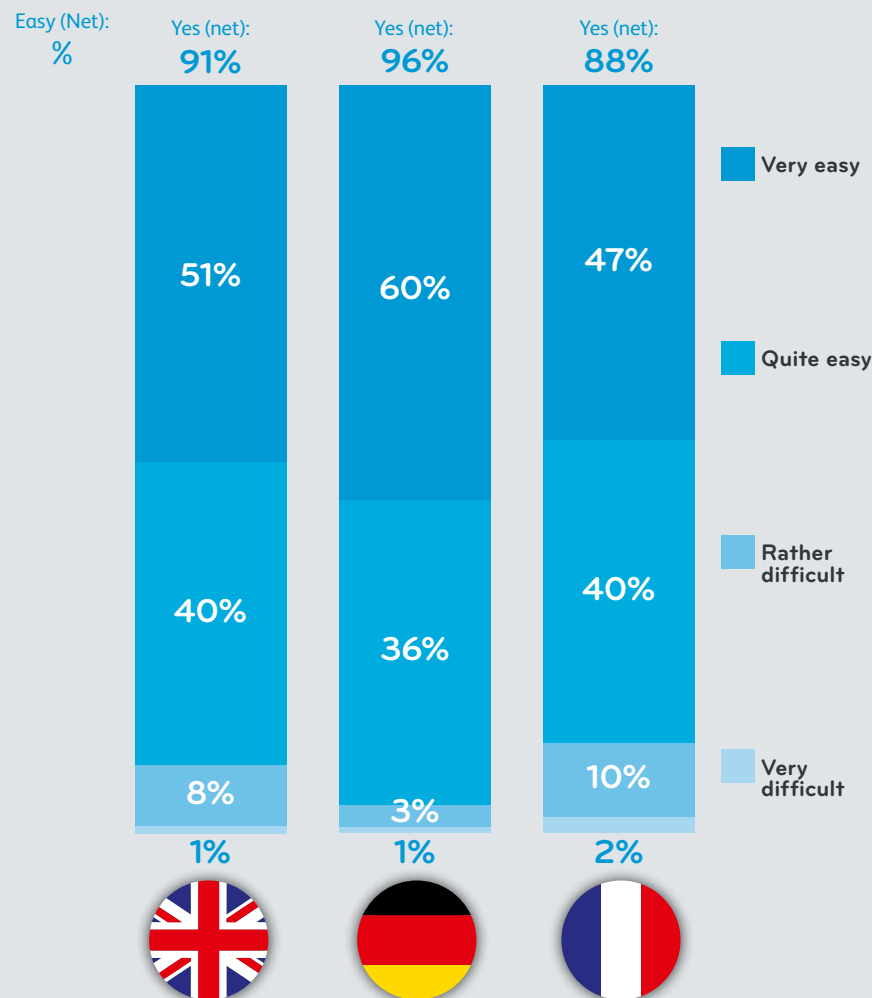
With 1 in 4 fashion items being returned to the retailer, unsurprisingly the biggest reason for returns was that the item didn't fit, with this being the rationale behind roughly half of returns. In second and third place are "I didn't like it" and "the item was faulty", although these only make up to between 20% and 33% of returns being made.



Base: All who made returns (UK 868, Germany 495, France 322) Q62, Q63

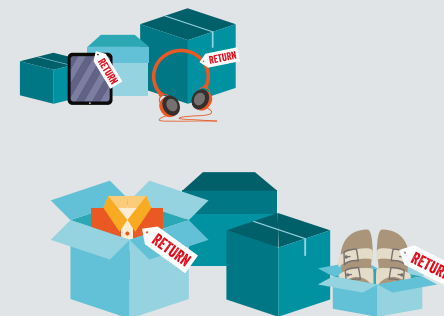
EASE OF MAKING RETURNS

Ease of making returns



A substantially high number think that returns are easy, with an average of over 90% of respondents agreeing with the statement. Roughly half of all those surveyed found returns very easy, with only 1%-2% finding returns very difficult. Germany once again leads the way with 96% overall finding returns easy.

There's still room for improvement however, as 9% of UK shoppers found the returns process rather difficult or very difficult.



Base: All regular online shoppers (UK 2,003, Germany 1,003, France 1,000); All who purchase online from foreign retailers (UK 1,661, Germany 664, France 823) Q12, Q13

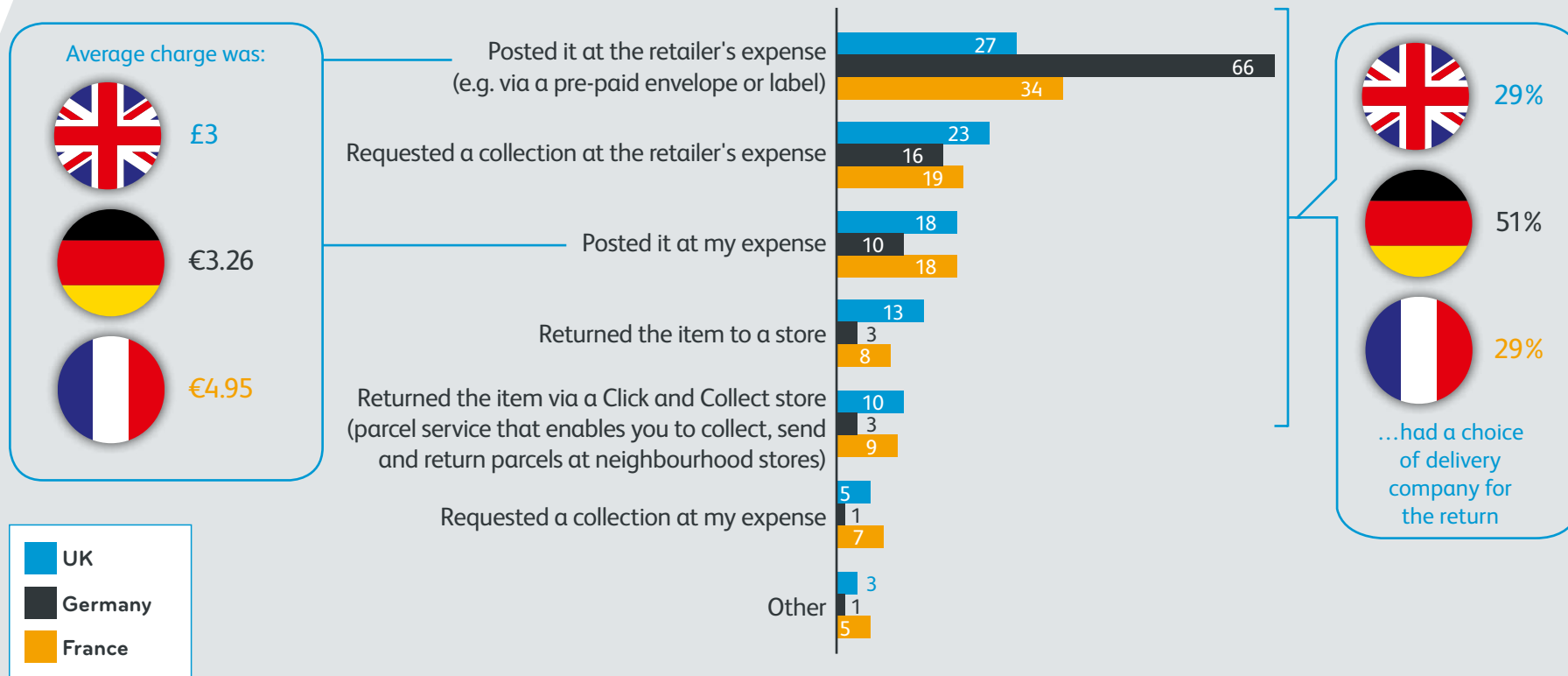
RETURN METHODS

The most popular method for returns was at the retailers' expense, with the use of a pre-paid envelope or label falling into place ahead of a requested collection. Germany has a much higher percentage of people that use a pre-paid envelope, and roughly half have a choice of delivery company. They also have a much lower average charge than in France,

which may explain why Germany has the highest satisfaction rates, with France lagging slightly behind. Posting at the customers' expense is much less popular in Germany, which is likely to add to the satisfaction of delivery recipients there.

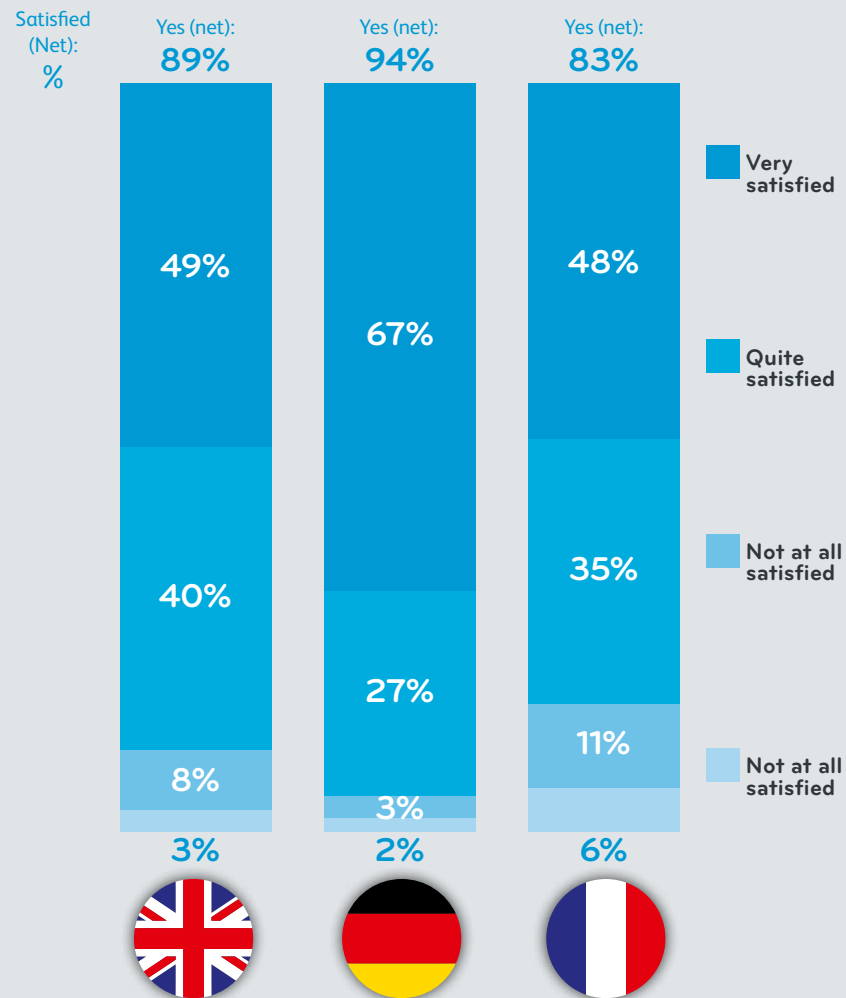
How did you return your last item?

Base: All who made returns (UK 868, Germany 495, France 322); All who made returns at their expense (UK 200, Germany 56, France 82); All who returned items via collection or post (UK 639, Germany 454, France 252); Q59, Q60, Q61



SATISFACTION WITH THE RETURNS PROCESS

Satisfaction with returns process



Satisfaction is at an impressive level with an average surpassing 88% being satisfied with their returns process, and more than half of those surveyed being very satisfied. Those who were not at all satisfied didn't reach double figures, making up only 6%, a great result.

Of the 89% in the UK who were satisfied, only 49% were very satisfied which shows there's still room for improvement in the returns services offered.

Base: All regular online shoppers (UK 2,003, Germany 1,003, France 1,000); All who purchase online from foreign retailers (UK 1,661, Germany 664, France 823) Q12, Q13

SUGGESTED IMPROVEMENTS

What would be the one thing that you would like an online retailer to do/ change to improve your online shopping experience?



Base: All regular online shoppers (UK 2,003, Germany 1,003, France 1,000) Q44



SUGGESTED IMPROVEMENTS

As you can see from the research findings, people want to be able to choose how they go about returning their parcel. They want different services to fit in with their different lifestyles. That's why we've introduced Hermes 3-Click Parcel Returns*. Customers have the option of either dropping off their return at one of our many ParcelShops (no queues at the post office!) or by having their return collected by a local courier. The service is fully tracked, they have the option to leave their parcel in a safe place, and they can state the day they want their parcel collected. Multiple parcels can be returned at once, and the whole process takes a maximum of 3 days. All it takes is 3 clicks*.

1) Enter the parcel barcode

2) Select the option of courier collection or ParcelShop drop-off

3) Print the returns label(s)

All of this is done on our user-friendly and dual-branded website, which has an integrated ParcelShop finder and end-to-end tracker. We put the customer in control, making sure that their delivery experience is just right to fit around their lifestyle, and we provide retailers with an efficient and hassle-free service which makes parcel returns one less headache.

To find out how Hermes can help you to develop a delivery service to suit your business then call us on 0844 543 7067, or e-mail us on hermes-uk@hermesworld.com

*4 clicks if payment is required

