

MAKING CUSTOMIZED DELIVERY A CHOICE AT CHECK-OUT

The importance of offering reception services during the check-out process

CONTENTS

1. Introduction
 2. Delivery and customer experience
 3. Customer-specific solutions
 4. Status quo – Delivery in online retail
 5. Reception options increase online shop success
 6. Conclusion
-

1. INTRODUCTION

Buying provides happiness. Emotions have a particular influence on purchasing decisions, which also applies to online shopping. The joyful anticipation before unpacking something and the feeling of receiving a present are clearly connected to the buying experience for 62 percent of online shoppers according to the DHL study "Einkaufen 4.0". This is where product presentation, convenience and usability in the web shop help create positive emotions. However, they are not only of relevance when it comes to the product range and the purchasing process, but also when it comes to delivery.

That is why it is important that customers can already decide during the check-out of the online shop who will deliver the goods, at what time they arrive, and where they will be delivered. Some major e-commerce players have already integrated these options in their online shops. But most online retailers are still lagging in this area. They either provide no individual delivery options at all, or they are not really integrated into the check-out page in a user-friendly way.

2. DELIVERY AND CUSTOMER EXPERIENCE

*"It would be really nice if in future you were given more choice regarding delivery day, time, and place." **

There is not much time to play with: It takes only a few seconds for a customer to make a decision for or against an online shop. Shop design, simple and intuitive user interface, fast loading times – everything has to be just right so that the customer stays. Clicking on the buy button is made as easy as possible for customers. And then? The perfect service does not end with the purchase. The receipt of the purchased goods is just as much part of the shopping experience as the right layout of the shop itself. Besides, it is also important for customers to have control over the receipt of the goods.

Individual deliveries are now one of the core services of web shops. They therefore have to be integrated into a web shop in such a way that they are easy to find and can be used intuitively. Customers' demands for usability are just as high for the selection of delivery options as they are for the product selection in the shop. Here too, they intuitively select sizes, colors and variations. It is technically no longer a problem for e-commerce retailers to provide shipment and delivery services in the check-out of the shop.

*Participant quotes, Study "CUSTOMER JOURNEY – From ordering to parcel receipt", DHL, 2015

Accordingly, the receipt of the goods also has a lasting effect on customer experience – the shopping experience, the happiness factor when shopping. Bad experiences in terms of delivery, however, negatively influence the image of the shop. In such cases, more than one third of online customers would not buy from the same retailer again. 50 percent have even canceled a purchase in the past due to insufficient delivery options.

3. CUSTOMER-SPECIFIC SOLUTIONS

Customers can currently choose from a variety of reception options that fulfill individual customer requirements and can be integrated into individual daily routines. For example, customers can choose delivery on a particular day or at a certain time, to a pre-designated neighbor, or to a fixed location such as the garden shed or garage as well as a Parcelstation, a Parcelshop or a Post office. The acceptance of these solutions is high. The DHL study "Customer Journey – Von der Bestellung bis zum Paketempfang" shows:

- The highest satisfaction of 94 percent is expressed by customers if they can specify a Parcelstation as delivery address when ordering.
- 85 percent wish to specify the delivery day themselves.
- 78 percent want to determine the time slot.
- 54 percent wish to have their packages sent to Post offices or Parcelshops.
- 50 percent would like to specify a drop-off location at home.

*"That's exactly how I imagine the selection of possible delivery options." **

4. STATUS QUO – DELIVERY IN ONLINE RETAIL

While many big players in e-commerce, such as Amazon or Douglas, have already integrated such reception options in their online shops, the majority of online retailers still provide varying offers. Everyone does it differently: Sometimes customers can merely choose between standard and express delivery. In other cases they can choose between different parcel service providers or specify alternative delivery addresses. The different options are often difficult to find on the websites, or fundamental functions such as the search for Parcelstations are not provided.



Source: "Delivering Consumer Choice: State of e-Commerce Delivery", MetaPack, 2015

*Participant quotes, Study "CUSTOMER JOURNEY – From ordering to parcel receipt", DHL, 2015

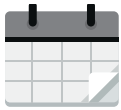
47%

of shops want to offer scheduled delivery in the future



10%

currently offer scheduled delivery



19%

offer the choice of a specific day as a delivery option

Source: "Dispatch and returns management in e-Commerce", EHI-Retail-Institut, 2015

58%

of online shoppers wish to adapt the reception options to their respective order

Source: "Delivering Consumer Choice: State of e-Commerce Delivery", MetaPack, 2015

78%

already want alternative delivery options during the order process

Source: Study "CUSTOMER JOURNEY – From ordering to parcel receipt", DHL, 2015

Customers are currently given the opportunity of choosing between service providers or delivery options in every fifth shop. 19 percent of shops provide the option of choosing the delivery day, while ten percent provide the option of selecting time slots. Only nine percent of online retailers provide an evening delivery after office hours. The figures show that there is an urgent need to catch up on this. In addition, the development cycles for online applications are extremely short, which also applies to shops. What today is considered cutting-edge with a benchmark character, is tomorrow seen as a required standard. Ever more online retailers are now discovering the potential of reception services. It is thus that one third of retailers are already planning to provide specific delivery slots within the next two years.

Today cutting-edge, tomorrow already considered standard.

5. RECEPTION OPTIONS INCREASE ONLINE SHOP SUCCESS

Customers consider the ability to determine when and where a parcel is delivered to be an important factor in deciding for or against a shop. 78 percent of online shoppers already want alternative reception options available in the order process. For more than half of online customers these requirements may change depending on the specific order.

The desire for maximum flexibility places high demands on logistics providers. More than half of the German population regularly buy online. Statista identified roughly 47 million online shoppers in 2016. Parcel service providers have to be able to serve their individual needs and requirements for the delivery.

Only satisfied customers will become regular buyers and are an important asset for any retailer. The service on the last mile is more or less the last chance to make a positive impression before the customer leaves the shop. And both positive as well as negative experiences have a significant effect on purchasing behavior. 96 percent of customers buy again in the same shop if they have had a positive experience. That is why reception options can be a real competitive advantage. They boost customer loyalty, increase conversion rates and generate new revenues. Online customers prefer shops with good delivery options. Online shops can thereby profit from an increasing price elasticity. In other words: Customers are willing to pay a higher price if they get good service when it comes to parcel receipt.

According to a recent study by MetaPack, 66 percent of online customers prefer retailers with good delivery options, 37 percent of buyers have bought more because of the additional delivery options and about half of them were willing to pay a higher price for the goods (even 69 percent of 18 to 26-year-olds).

The individual reception services ultimately ensure that the goods will arrive faster. And that has only positive effects for online retailers. Because, the shorter the time between ordering and receipt, the lower the return rate. 44 percent of online retailers see fast delivery as an effective way of reducing the amount of returned goods. With satisfied customers, the shop will be able to grow faster, secure market shares and become profitable in a shorter amount of time.

TIP

Visibility and usability are also important when it comes to the reception options. Online retailers can integrate these services directly into the check-out of their online shops and already try to draw attention to their services on the front page.

*“Reception services should be available in every online shop.” **



Source: „The individualization of delivery“, MRU GmbH, 2016

6. CONCLUSION

Online customers want parcel receipt to be seamlessly integrated into their daily lives. They require the same convenience for the delivery of the goods as for the online shopping. The delivery services therefore have a substantial influence on the success of an online shop. Delivery alternatives that are tailored to the individual needs of customers, are already available.

More and more online retailers wish to integrate requested delivery times in the check-out of their shops. For good reason: Such an all-round service increases the performance of online shops. The better the delivery, the higher the conversion rate and the lower the cancellation rate.

*Participant quotes, Study “CUSTOMER JOURNEY – From ordering to parcel receipt“, DHL, 2015

DELIVERED AS REQUESTED. DHL PREFERRED DELIVERY MAKES IT HAPPEN.

DHL gives your customers a variety of solutions so they can receive their parcels as they wish. You can easily integrate the Preferred Delivery services into your web shop. When buying in your shop, customers will see all service options at a glance and can decide directly. You can thus ensure your customers have a positive shopping experience. From the first click to the receipt of the goods. DHL transports on average 3.9 million parcels per day and delivers them to more than 44 million households in Germany alone. As an innovation leader in logistics, DHL constantly develops new solutions to make your e-commerce even more successful.

SERVICE OVERVIEW "DHL PREFERRED DELIVERY"

In the online shop

Your online shop provides customers with the respective services in the check-out.

- › Preferred time
- › Preferred day
- › Preferred neighbor
- › Preferred location (incl. parcel box)
- › Addressing to Parcelstation or Post office



After ordering

Upon receipt of the shipment notification, your customer can change the delivery date and place. To do so, the e-mail address has to be transmitted to DHL.

- › Preferred day
- › Preferred neighbor
- › Preferred location
- › Addressing to Parcelstation or Post office



Registered customers

The customer provides DHL with fixed preferences.

- › Preferred day
- › Preferred neighbor
- › Preferred location



For more information, visit www.dhl.de/paket.

HOW RETAILERS CAN INTEGRATE INDIVIDUAL RECEPTION SERVICES IN THEIR SHOPS

Shop operators can easily integrate the DHL Preferred Delivery services as well as all DHL delivery addresses into the check-out of their online shop. This applies to web shops using standardized shop software just as well as for customized shops.

WEB SHOPS BASED ON SHOP SOFTWARE

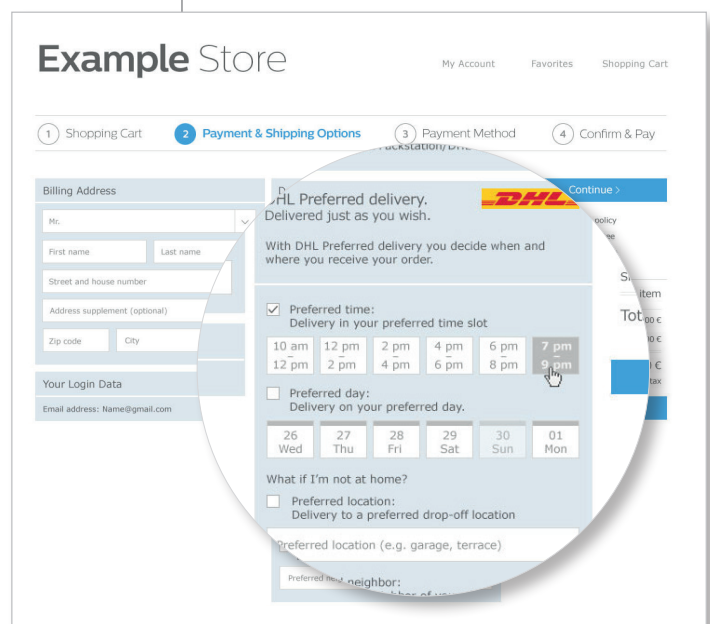
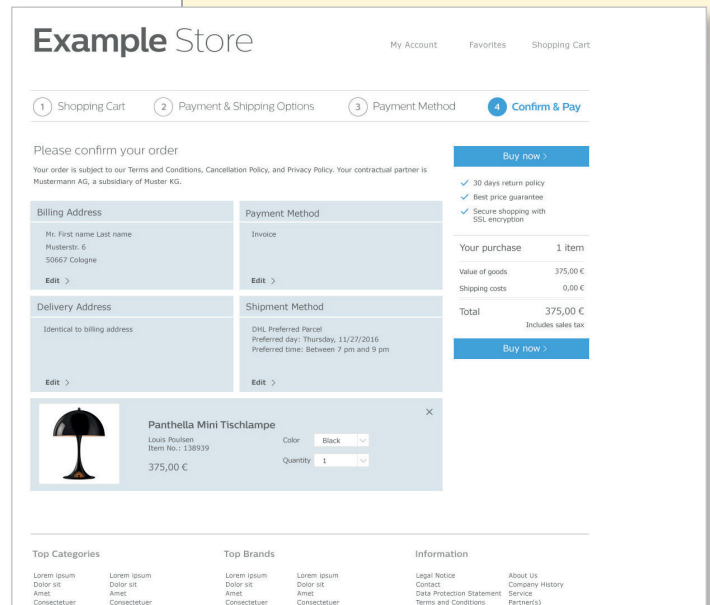
DHL provides free plug-ins in the respective online shops of the shop software developers for all shops that use standard software such as Shopware, OXID or Magento. These modules provide the frontend and backend for the integration of all Preferred Delivery services including the location finder in the check-out process of the web shop. Retailers can simply log in to the shop software store and download free software enhancements by DHL and install them in their shop.

For technical questions on the installation of the plug-ins please contact the DHL support at shopsoftware@deutschepost.de.

WEB SHOPS WITH CUSTOMIZED PROGRAMMING

DHL provides a variety of different API interfaces for those who use individually programmed software. These enable the individual reception services for customers to be integrated into the check-out of the shops. The interfaces are available free of charge on the DHL developer portal and merely require registration at <https://entwickler.dhl.de>. The connection can be implemented step by step via a guided process. Content and documentation are available in German and English.

DHL Support provides information on the API interfaces via support.webshopintegration@deutschepost.de.



MAKING CUSTOMIZED DELIVERY A CHOICE AT CHECK-OUT

The importance of offering reception services during
the check-out process

Published in January 2017

All rights reserved. No part of this publication may be reproduced or transmitted in any electronic or mechanical way without prior written permission by the publisher. This includes, without limitation, photocopying and the storage and retrieval in data storage systems.

© DHL 2017

DHL Paket GmbH
Sträßchensweg 10
53113 Bonn
Germany
www.dhl.de