SNOW VALLEY

E-COMMERCE RETAIL DELIVERY REPORT 2010

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FOREWORD

MetaPack are delighted to sponsor the Snow Valley Online Delivery Report. It provides a comprehensive analysis of developments in the UK eCommerce market and the comparative data from 2005 onwards is providing more and more insight. The report is particularly valuable for retailer benchmarking, not only to compare the customer proposition at the website (the limits of MetaPack's original report back in 2004), but additionally, to find out what is actually going on through the end-to-end process. For example, the section on delivery information provides many interesting observations that can only be understood once a full order has been processed and delivered. So, many thanks to Snow Valley for an exceptionally useful report.

PROGRESS: BUT WHY ARE LARGE RETAILERS MOVING AHEAD OF SMALLER RETAILERS?

Once again the UK's eCommerce community can congratulate itself on continued progress. Perhaps the most important aspect of delivery is the provision and management of delivery options and these continue to become richer and more varied. As Carlo Rimini points out in the next section, the excessive number of delivery options has probably peaked (at 14!) but more and more retailers are providing basic choices of economy, premium including next day and Saturday, and increasingly a super economy option. At the same time, there should be a concern that the larger retailers are moving ahead of SMEs. For example, 37% of larger retailers provide timed deliveries versus 15% for smaller retailers. In other areas the large versus small advantage is: nominated day - 50% versus 15%; Saturday - 55% versus 26% and range of delivery options - 76% versus 64%. There really is no reason why this superior offering should be the preserve of the larger players. Software functionality to enhance delivery options is available to all sizes of retailers, typically on a transaction basis. So the question might be asked: are the larger e-retailers in part successful because of their superior delivery offering?

PROBLEMS: CAN WE DIVERT SOME OF THE FRONT END RESOURCE TO THE BACK-END PROPOSITION?

The Online Delivery Report continues to reveal some real howlers that could be easily fixed, particularly if more of the marketing and front-end teams could divert more resource to the delivery proposition. A simple one to fix is access to delivery information. For some reason 71% of sites cannot direct a customer to the delivery information when they enter “delivery” as a search criteria. Just as regrettable, and certainly more worrying, 30% of e-retailers still do not provide the cost of delivery until the customer had completed their shopping basket and were engaged in the checkout process. (Conversely, almost as many retailers are now providing delivery charges on the product page, just to prove that it can be done). Also regrettably, still only a quarter of retailers permit customers to write special instructions that can be automatically transferred on to the face of the delivery label (leave with neighbour etc). This is perhaps the single most important improvement that can be introduced to reduce failed delivery. A further problem area, and a clear opportunity, is cut off times. Admittedly solutions in this area require a broader organisational response but when so many retailers are pushing last order delivery times to 6 or 7pm why is it that 40% of retailers have a cut-off time of 1:30pm. Surely this is costing a significant amount of business?

PRIORITIES: DEFINING THE WINNERS IN THE COMING YEARS

Carlo’s section provides an interesting analysis on trends and helps to define how the market will develop over the next few years. Here are a few other observations. One of the most heartening improvements is the increase in e-retailers who are providing international shipments. This has increased from 20% to 43% in the last year alone. Certainly we see a lot of demand for this in the market and possibly one of the most immediate quick-wins it to open up sales to the EU where there are virtually no shipping barriers. Shipments to the rest of the world require some documentation but this can be provided automatically at the pack-bench. Carrying on with the positives, on-line tracking has increased markedly, from 59% to 84% and 65% of e-retailers provide a despatch confirmation. The opportunity exists where only 4% of retailers are offering a delivery confirmation email. Proactive retailers are providing emails and SMS through the delivery journey, to confirm deliveries are on schedule and to warn of issues as they arise. The customer is better satisfied and inbound customer care enquiries are reduced. It has to be the way forward!

Finally, congratulations to the carriers, who have to do most of the hard work, for very little thanks. After a dip in 2008, first time delivery success has improved to 83% and compares with our 89% using many more data points in the MetaPack eCommerce 100 tracker. So all in all, it’s been another good year!

Patrick Wall
CEO
MetaPack

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INTRODUCTION

In 2005, Snow Valley was asked to produce a report for IMRG (Interactive Media in Retail Group). At the time, delivery was seen as the 'Achilles Heel' of online retailing and IMRG wanted to provide their members with an overview of how delivery was being handled and where more work was needed.

That research was warmly welcomed by the industry and so we have repeated it in 2006, 2007, 2008, and now in 2009. The end result is a snapshot of the customer's experience of the fulfilment process and an overview of how things are changing over time.

As a provider of e-commerce solutions and services, Snow Valley has no particular axe to grind when it comes to delivery – our objective is to share e-commerce best practice and inspire online retailers with ideas for improving their businesses.

WHO IS SNOW VALLEY?

Snow Valley is the UK's leading provider of e-commerce services and solutions. For over ten years we have been working with some of the UK's top retailers to build and grow their online businesses, usually as part of a multi-channel strategy. Clients include Clarks Shoes, Majestic Wine, Lakeland, Liverpool FC, and TM Lewin. More information can be found at www.snowvalley.com

METHODOLOGY

This report is based on research conducted on 166 UK online stores in September and October 2009. We visited each website and evaluated all of them on most of the questions. We then actually placed orders with 137 retailers and traced the progress of those orders right through to completion.

The results have been compared with those from July 2005 and 2006, and July/August 2007 and 2008.

5 KEY AREAS ARE EVALUATED IN THIS REPORT:

1. Delivery Time & Cost Options
2. Delivery Charges
3. Delivery Flexibility
4. Delivery Information
5. Delivery Performance

SECTOR TRENDS

We grouped the 166 retailers into categories so we can show patterns within sectors, where they exist:

Fashion & Jewellery	65 retailers
General – dept stores/big book catalogues	15 retailers
Homewares	14 retailers
Sport	11 retailers
Health & Beauty	11 retailers
B2B	11 retailers
Electronic & Electrical	10 retailers
Grocery & Wine	8 retailers
Gifts	7 retailers
Entertainment	6 retailers
Children's products	5 retailers
Books	3 retailers

SIZE BREAKDOWN

30 of the sites on our list also feature on the IMRG/Hitwise Hot Shops List of the top 50 online retailers. These have also been considered separately, to help us ascertain if delivery options are different on larger retail sites.

RETURNS & REFUNDS

Orders were placed on 137 of the online stores that we assessed, which also allowed us to monitor how retailers are handling refunds and returns. The 2010 Returns & Refunds report will be available in March. Please e-mail report @snowvalley.com for a copy.

10 TRENDS TO WATCH

Welcome to the 2010 Snow Valley Online Retail Delivery Report. This is the fifth edition of our research into delivery and we're very pleased to have MetaPack as our sponsor for the first time.

The methodology behind our research is simple. In September 2009 – just as we did in 2005, 2006, 2007, and 2008 - we visited 166 UK online stores, placed orders on 137 of them, and evaluated how each one handled our delivery. The result is the report you are reading now – a summary of how online retailers in the UK are fulfilling their online orders, told from the perspective of the customer.

Before we get down to the numbers, we thought we'd look at some of the trends and developments that we've seen, not only this year but previously as well. To some extent, this answers the question that we're often asked by retailers: where is delivery going? How can we make sure that our delivery service is the right one for our customers and our business?

We're always interested to hear your views, so do get in touch if you'd like to know more.

1 'BASIC-STANDARD-PREMIUM' DELIVERY WILL BECOME MORE POPULAR

Our prediction for online delivery this year is that we will see a lot more retailers using a three-tier 'Basic-Standard-Premium' delivery strategy.

Over the past five years, we've seen most online retailers move through three phases of delivery. The first phase was to offer no choice – a fixed charge for a fixed timeframe delivery. The second phase was to offer two options - a standard and a premium service.

Now we are seeing a third phase, where the retailer is adding a 'super saver' delivery service, allowing the customer to choose a free or low-cost option that takes longer than the standard.

This gives the customer a choice of three levels of service: a low-cost option where the delivery could take 6 days; a standard option for £3.99 that takes 3 days or so; a choice of premium services – next-day, Saturday, specified date, specified time of day, same-day – that could cost anything up to £20.

The most recent example of a retailer doing this is ASOS, who introduced their SuperSaver service in 2009; Amazon and Ebuyer and others have been doing something similar for longer. We expect to see more examples of this when we repeat our research in autumn 2010.

2 THERE WILL BE MORE SATURDAY, NOMINATED DAY, TIME OF DAY OPTIONS

This might seem like an obvious prediction to make, but our research shows that delivery on a Saturday, or on a nominated day, or at a certain time of day is still surprisingly uncommon. While 55% of the retailers could offer a next-day service, only 26% had a Saturday delivery option and only 15% could offer nominated day or AM/PM/before 10.30am services. However, if retailers do start to offer a 'supersaver' option, they may need to offset the cost of that by charging more for premium services. Therefore we expect to see more Saturday/nominated day services in 2010 and beyond.

3 DELIVERY CHARGES WILL BE SHOWN UPFRONT

28% of the retailers in our research this year put the delivery charge clearly on each product page, compared to only 15% back in 2006. Again, this is not as obvious as it sounds – as retailers add more options, and delivery charges become quite complex, it becomes more difficult to tell the customer how much they'll be charged at an early stage of the shopping process. But retailers like John Lewis are doing this very neatly and clearly, and we expect to see more of it in future.

4 ORDER DEADLINES WILL GET LATER

An impressive 10% of the retailers in this year's research could accept orders after 5pm for next-day delivery. Every year, we see certain retailers proudly pushing back their order deadlines - often only by an hour at a time - so they can offer that extra window of opportunity to their customers. ASOS moved theirs back to 6pm in 2009 and Ebuyer can now accept orders up to 11pm. There are still a handful of retailers with deadlines before 10am but we expect to see more and more trying to win those extra sales by offering a later cut-off.

5 MORE DETAILED ONLINE ORDER TRACKING

Without doubt the most pronounced trend that we have seen over the past 5 years has been the growth of online order tracking. 84% of retailers offered this in 2009, compared to 59% in 2005. What we expect to see from here is more detailed tracking – once upon a time a customer was lucky to see 'IN WAREHOUSE' or 'DESPATCHED' against an order; now they can often track its progress onto the delivery vehicle and even see who signed for it.

6 FURTHER GROWTH OF MULTI-CHANNEL DELIVERY

The growth of 'reserve and collect' or 'order online for delivery instore' has been one of the highlights of multi-channel retailing over the past few years – no less than two thirds of Argos' web sales are now reserve and collect. 15% of the retailers in our research offered some kind of collect from a store option and we fully expect to see more of this in future.

7 MORE DELIVERY LOYALTY SCHEMES

Amazon Prime is an example of a retailer using delivery to grow customer loyalty. Launched two years ago, it allows a customer to pay £49 per year and get free next-day delivery on every order they place. Ocado introduced something similar in 2009, and ASOS Premier, offering free next-day delivery and returns collection for £24.95 per year, arrived in autumn 2009. It's not an idea that will work for every online retailer but we look forward to seeing who else launches such a scheme in the years ahead.

8 MORE DELIVERY TO THIRD PARTY ADDRESSES

Over the years, we've seen a decline in the number of retailers that insist on delivering to a customer's billing address. This means that most shoppers can have their orders sent to a work address so they don't have to wait in at home for a delivery. But many firms don't accept deliveries, either on security grounds or because of the hassle. And what about the people that don't work in a building with the capacity to accept parcels?

This has led to the arrival of a number of services supporting delivery to an alternative address, such as a local post office or shop. None of the retailers that we ordered from in 2009 gave us this option, but some of them (Littlewoods being an example) are already using those third party services for returns and so we expect to see more of this in future.

9 MORE USE OF TEXT MESSAGING IN ORDER TRACKING

Last year, we reported that only 5 retailers had sent text messages during the order fulfilment process. Several carriers questioned us on this, saying it was way too low. However, not only were we right but it hadn't changed between 2008 and 2009 – once again, only 5 retailers sent us a text message either to confirm the order or to tell us it had been despatched. Will 2010 be the year when this takes off? We hope so – an SMS alert to say that a package is on its way is really useful if you're waiting in for a delivery.

10 MORE RETAILERS TO DELIVER OVERSEAS

This really surprised me this year: 42% of the retailers we purchased from had a strict UK only delivery policy. With sterling currently so weak against the dollar and euro, we expected to see more evidence of retailers attracting customers from overseas. But only 43% could deliver to the US. Growing an international retail business is definitely not easy, but we expect to see more retailers testing the waters by accepting online orders from overseas in 2010.

So that summarises the key trends that we've been seeing over the past five years and expect to see in future. We're always interested to hear your views, so do get in touch if you'd like to know more.

If you're a retailer or a carrier and you want to know more about how your business performed in our research this year, please get in touch. While this summary report is useful, the individual reports that we produce for our clients highlight specific areas for improvement in each business. If you'd like to get hold of one of those, please contact sarah.clelland@snowvalley.com

On that note, I'd like to thank Sarah Clelland and her team here at Snow Valley for carrying out the research and producing the report.

And lastly, I'd also like to thank Metapack for their sponsorship this year, and to thank you for buying this report. We hope you find it useful.

Carlo Rimini
Snow Valley
December 2009

EXECUTIVE SUMMARY

DELIVERY TIME & COST OPTIONS

- 64% of the retailers gave the customer a choice of delivery times and costs
- Larger retailers were more likely to offer options – 76% did so
- 55% of the retailers had a next-day delivery service, either as standard or for a premium charge
- 'Delivery on specific date' was offered by 15% of retailers, although 50% of larger retailers had it
- Only 15% of the retailers could offer delivery at a certain time of day
- 26% offered Saturday delivery, although 53% of the larger retailers supported this

DELIVERY CHARGES

- Only 13% of the retailers had free delivery as standard, although 27% of larger retailers did so
- 43% of the retailers charged £4 or over, compared to 41% in 2005
- Only 10% of the retailers charged more than £10 for a premium next-day service
- 64% charged less than £5.99 for delivery on a specific date
- Delivery at a certain time varied greatly – AM delivery for example, cost from £3.75 to £15
- Saturday delivery was the most expensive service – 49% charged more than £10 for this
- The mode average charge for delivery to the US was £12; to France, £8
- 39% offered free delivery if the order value was over a certain amount, up from 24% in 2005

DELIVERY FLEXIBILITY

- The latest deadline for next-day delivery was an impressive 11pm

- 8% of the retailers insisted on delivering at least the first order to the customer's billing address
- 42% of retailers had a UK-only delivery policy
- Only 10% of the retailers allowed a customer to split one order across multiple addresses
- Only 26% of the retailers allowed the customers to add delivery instructions to their order
- 15% offered in-store collection services

DELIVERY INFORMATION

- 'Help' was the most popular link to delivery information from the top of the homepage
- 'Delivery Information' was most popular at the bottom of the page
- Nearly 50% of larger retailers now show the delivery charge on every product page
- 30% of all retailers still insist that the customer proceeds through checkout before the delivery charge is shown
- 84% offered online order tracking this year, up from 59% in 2005
- 94% of the orders were confirmed by e-mail
- 65% of the retailers sent us an e-mail to say that the goods had been despatched
- 71% of searches for 'delivery' on the sites failed to return useful information
- 26% of the orders required a signature but we were not warned about this on the website

DELIVERY PERFORMANCE

- 46% of the orders arrived either on the agreed date or within 2 working days
- 91% managed to deliver within their given timeframe

1. DELIVERY TIME & COST OPTIONS

64% *of retailers gave the customer a choice of delivery times & charges, up from 54% in 2005*

55% *had a next-day service, either as standard or for a premium charge*

15% *supported delivery on a specific date & 15% could offer delivery at a specific time*

26% *offered Saturday delivery*

OVERVIEW

In this first section we look at the range of delivery options that was given by each of the 166 retailers. Was the customer offered a choice of times, dates, and costs for delivery?

The good news is that almost two thirds of the retailers gave the customer a choice about when their goods would arrive. This is a marked improvement on 2005, when only 54% of the retailers could do so. Larger retailers were more likely to offer options – 76% did so.

55% of the retailers had a next-day delivery service, either as standard or for a premium charge. Retailers in the B2B sector were most likely to support this option.

'Delivery on a specific date' was only offered by 15% of retailers generally, although of the larger retailers, 50% had this as an option or as standard.

Only 15% of the retailers could offer delivery at a certain time of day, the most popular being before 10.30am or sometime in the morning.

26% offered Saturday delivery, although this was more popular with the larger retailers once again – 53% of them supported it.

A. HOW MANY DELIVERY OPTIONS DID THE RETAILER PROVIDE?

Number of delivery options	2009	2009 %	2008	2008 %	2007 %	2006 %	2005 %
14 options	0	0%	1	0.9%	0%	0%	0%
7 options	1	0.6%	1	0.9%	1%	0%	0%
6 options	3	1.8%	2	1.6%	2%	2%	2%
5 options	4	2.4%	2	1.6%	2%	2%	2%
4 options	12	7.2%	7	5.7%	5%	4%	6%
3 options	18	10.8%	17	13.8%	12%	11%	11%
2 options	61	36.7%	51	41.5%	30%	26%	28%
No options	59	35.5%	31	25.2%	35%	43%	46%
Specific date must be chosen, price/time options	5	3%	5	4%	8%	3%	3%
Specific date, no price/time options	3	1.8%	3	2.4%	4%	8%	n/a
No information provided	0	0%	3	2.4%	1%	1%	2%
TOTAL	**166**	**100%**	**123**	**100%**	**100%**	**100%**	**100%**

64% of the retailers gave the customer a choice about when the delivery would arrive, which is an impressive increase on 2005 when only 54% of retailers could do so.

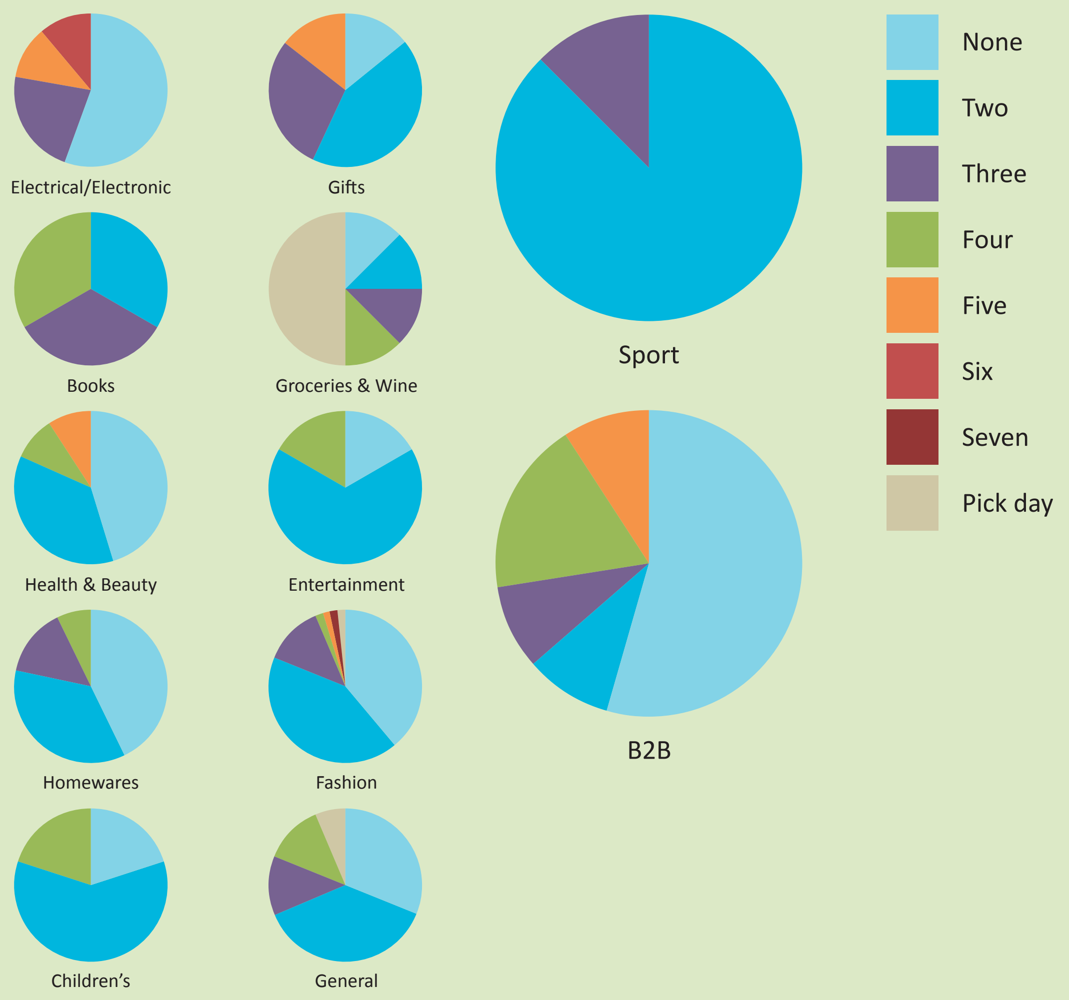
A third of the retailers had two options, making it the most popular approach. 8 retailers could offer 5 options or more. Delivery on a specific date as standard had declined in popularity percentage-wise – only 8 retailers offered this and four of them were supermarkets.

Retailers from the IMRG-Hitwise Hot Shops List

Number of delivery options	2009	2009 %	2008	2008 %
14 options	0	0%	1	3.3%
6 options	2	6.7%	2	6.7%
4 options	5	16.7%	2	6.7%
3 options	3	10%	4	13.3%
2 options	8	26.7%	7	23.3%
No choice	7	23.3%	7	23.3%
Specific date must be chosen, price/time options	3	10%	4	13.4%
Specific date, no price/time options	2	6.6%	1	3.3%
No information provided	0	0%	2	6.7%
TOTAL	**30**	**100%**	**30**	**100%**

76% of the larger retailers provided at least two delivery options. 17% allowed the customers to pick a specific date – three of these were supermarkets.

HOW MANY OPTIONS DID THE RETAILER PROVIDE?



We see some very interesting patterns in the sector breakdowns. More than half of retailers in the Electrical or B2B sectors provided no options, while all of the books and sports retailers had at least two services.

B. DID THE RETAILER OFFER NEXT-DAY DELIVERY?

Next day delivery	2009	2009 %	2008	2008 %
Yes	91	55%	69	56%
No	75	45%	54	44%
TOTAL	166	100%	123	100%

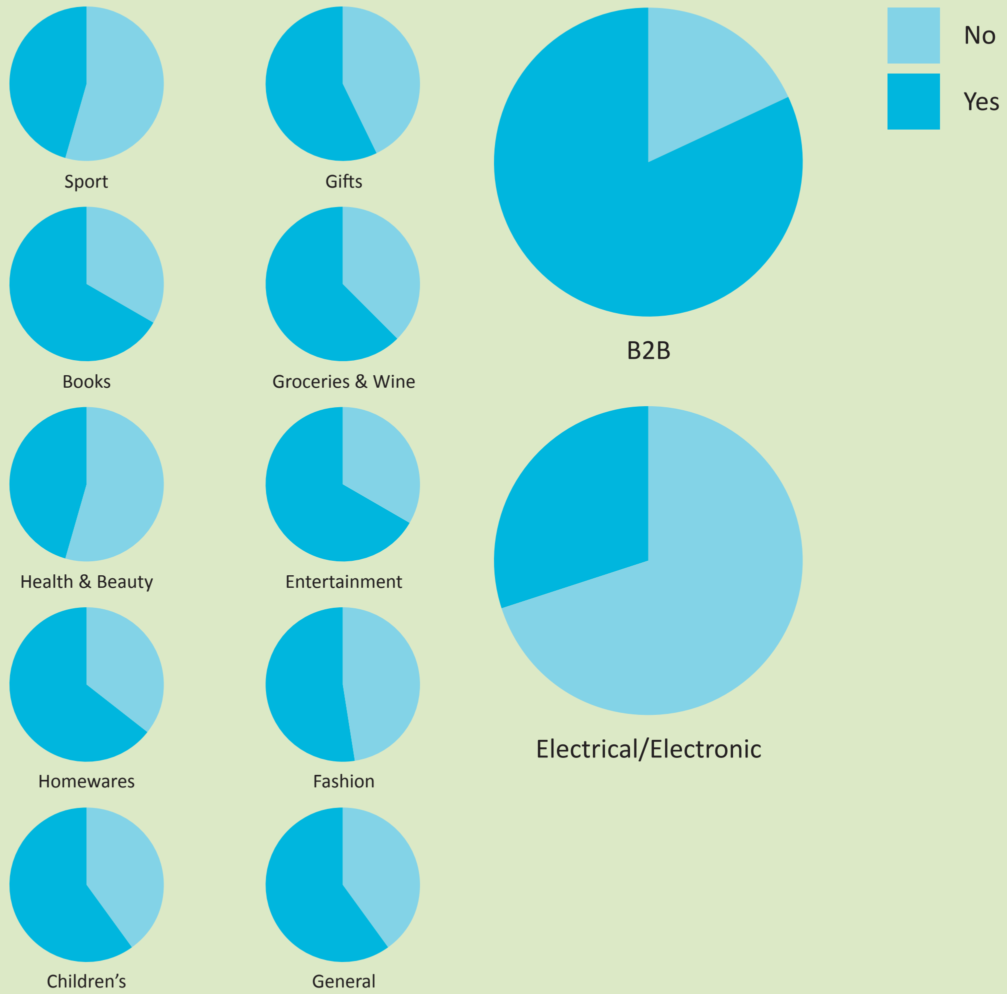
More than half of the retailers could offer the customer a next-day delivery service, either as standard or for a premium charge.

Retailers from the IMRG-Hitwise Hot Shops List

Next-day delivery	2009	2009 %	2008	2008 %
Yes	20	67%	18	60%
No	10	33%	12	40%
TOTAL	30	100%	30	100%

The larger retailers were more likely to offer next day delivery – 67% did so, compared with 55% of the sites generally.

DID THE RETAILER OFFER NEXT-DAY DELIVERY?



Some interesting trends emerge here – if you're a retailer in the Electronic, Health & Beauty or Sport sectors then you were less likely to support next-day delivery. Nearly all of the B2B retailers offered it.

C. DID THE RETAILER ALLOW THE CUSTOMER TO CHOOSE A SPECIFIC DATE FOR DELIVERY?

Date option given	2009	2009 %	2008	2008 %	2007 %	2006 %	2005 %
Yes, customer could pick a specific date	24	14.4%	23	18.7%	23%	18%	15%
Customer could pick “by a certain date”	1	0.6%	1	0.8%	1%	1%	1%
No, date could not be specified	141	85%	99	80.5%	76%	81%	84%
TOTAL	**166**	**100%**	**123**	**100%**	**100%**	**100%**	**100%**

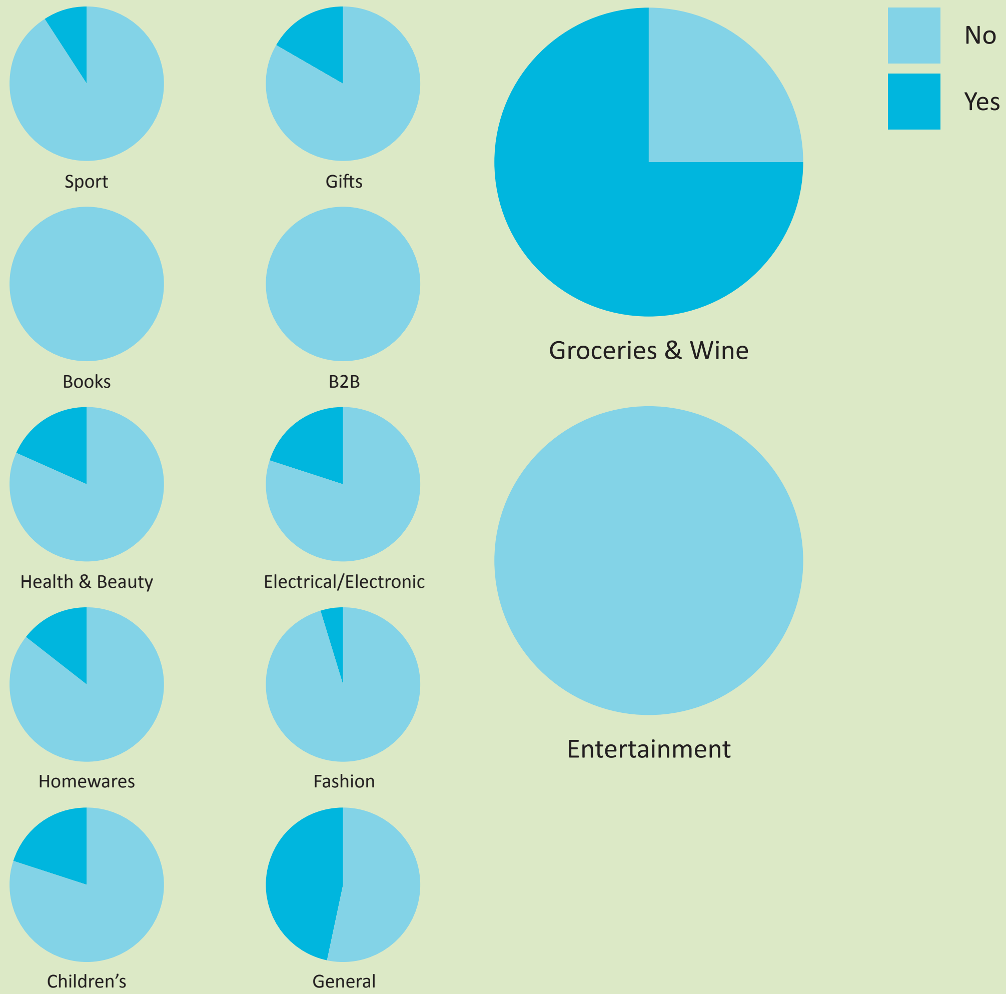
Could the customer choose a date for the delivery of their order during the online purchase process (ie a subsequent phone call did not count)? The vast majority of the retailers (85%) did not support this.

Retailers from the IMRG-Hitwise Hot Shops List

Date option given?	2009	2009 %	2008	2008 %
Yes, customer could pick a specific date	15	50%	13	43.3%
No, date could not be specified	15	50%	17	56.7%
TOTAL	**30**	**100%**	**30**	**100%**

This is one of the most striking trends in the report – larger retailers were much more likely to offer a ‘specific date’ delivery option.

DID THE RETAILER ALLOW THE CUSTOMER TO CHOOSE SPECIFIC DATE FOR DELIVERY?



Some definite patterns here – as you would expect Grocery retailers were overwhelmingly more like to give the customer a choice of specific dates. Nobody in Entertainment, Books, or B2B had a specific date option.

D. WAS IT POSSIBLE FOR THE CUSTOMER TO CHOOSE A SPECIFIC DELIVERY TIME ONLINE?

Time options	2009	2009 %	2008	2008 %	2007 %	2006 %	2005 %
Specify 1-hour slot	2	1.2%	2	1.6%	1%	1%	1%
Specify 2-hour slot	3	1.8%	2	1.6%	3%	3%	3%
by 7.30 AM	1	0.6%	0	0%	0%	0%	0%
by 10 to 10.30 AM	5	3%	3	2.4%	6%	n/a	n/a
AM	5	3%	5	4.1%	6%	6%	5%
PM	1	0.6%	0	0%	0%	1%	0%
by 12.30 PM	0	0%	1	0.8%	n/a	n/a	n/a
by 10.30 AM or by 12.00 PM	2	1.2%	0	0%	0%	0%	0%
AM or PM	3	1.8%	3	2.4%	4%	4%	2%
by 10.00 AM, 12,00 PM or PM	1	0.6%	0	0%	0%	0%	0%
AM, PM or by 10.30 AM	0	0%	1	0.8%	n/a	n/a	n/a
AM, PM or evening	2	1.2%	2	1.6%	n/a	n/a	n/a
No time options	141	85%	104	84.7%	80%	84%	86%
Other	n/a	n/a	n/a	n/a	n/a	1%	3%
TOTAL	**166**	**100%**	**123**	**100%**	**100%**	**100%**	**100%**

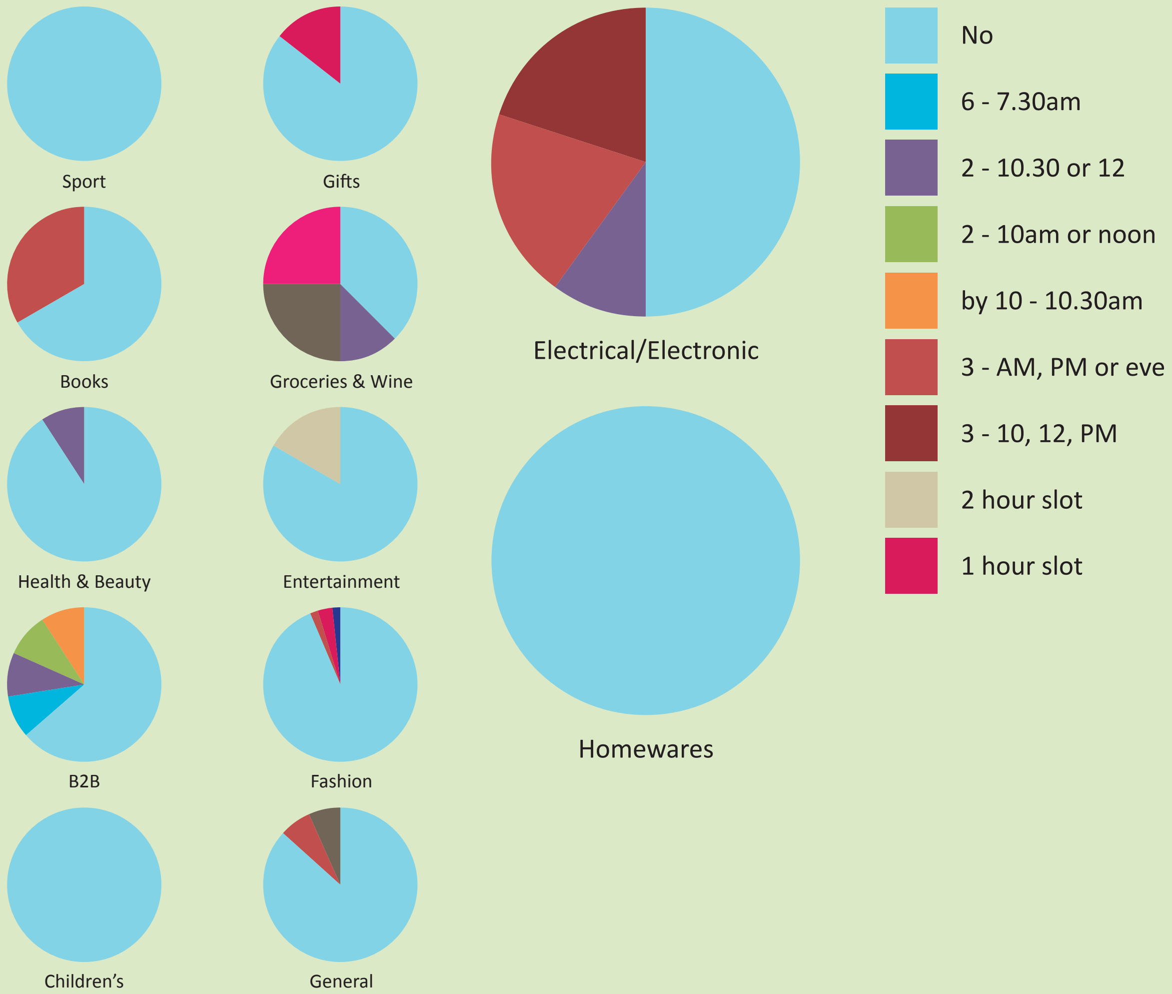
Did the retailer offer an evening delivery or delivery by a certain time? Again, 85% of the retailers did not support this. The most popular approach was to offer one choice of delivery time and for that to be delivery before noon or before 10.30am.

Retailers from the IMRG-Hitwise Hot Shops List

Time options	2009	2009 %	2008	2008 %
Specify 1-hour slot	1	3.3%	1	3.3%
Specify 2-hour slot	3	10%	2	6.7%
by 10.30 AM	1	3.3%	1	3.3%
AM	1	3.3%	1	3.3%
PM	1	3.3%	0	0%
by 10.30 AM or by 12.00 PM	1	3.3%	1	3.3%
AM or PM	1	3.3%	2	6.7%
AM, PM or evening	2	6.6%	2	6.7%
No time options	19	63.6%	20	66.7%
TOTAL	**30**	**100%**	**30**	**100%**

Again, larger retailers were more likely to support delivery by a certain time – 36% did so. The most popular was a 2-hour slot provided by the supermarkets and Tesco Direct.

DID THE RETAILER OFFER TO DELIVER AT A SPECIFIC TIME OF DAY?



Grocery and Electrical retailers were very likely to offer time of day options. None of the Homeware, Children's or Sport retailers did so.

E. DID THE RETAILER OFFER SATURDAY DELIVERY ON ALL PRODUCTS?

Saturday delivery	2009	2009 %	2008	2008 %	2007 %	2006 %	2005 %
Yes	43	26%	30	24.4%	27%	24%	23%
No	123	74%	93	75.6%	73%	76%	77%
TOTAL	**166**	**100%**	**123**	**100%**	**100%**	**100%**	**100%**

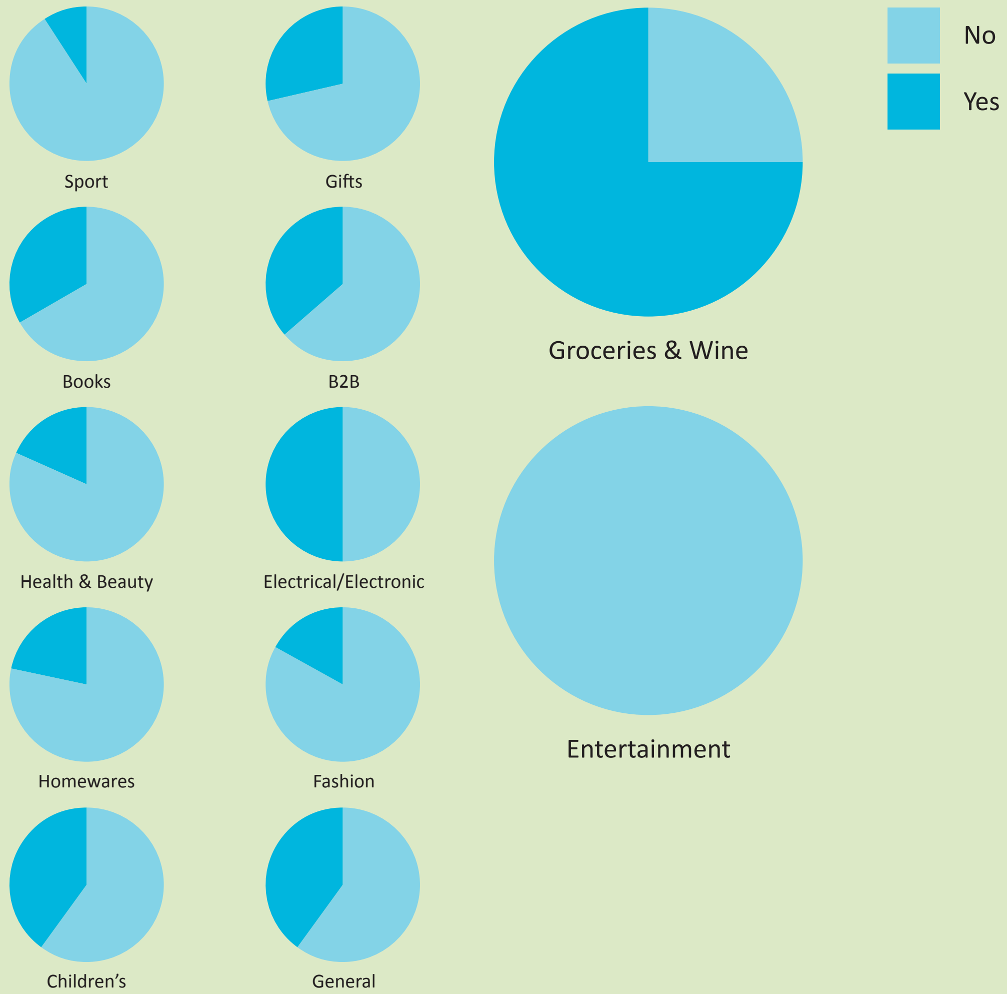
This was more popular than specified date or time – 26% of the retailers had an option allowing the customer to have the goods delivered on a Saturday. The retailer had to offer a specific Saturday service – next-day delivery for an order placed on Friday did not count.

Retailers from the IMRG-Hitwise Hot Shops List

Saturday delivery	2009	2009 %	2008	2008 %
Yes	16	53%	13	43.3%
No	14	47%	17	56.7%
TOTAL	**30**	**100%**	**30**	**100%**

Another clear trend: 53% of the larger retailers offered a Saturday delivery option.

DID THE RETAILER OFFER DELIVERY ON A SPECIFIED SATURDAY?



Again, Grocery & Electrical retailers led the way with Saturday delivery. Entertainment was the only sector where no retailer could offer it.

2. DELIVERY CHARGES

£3.95 *was the most popular delivery charge*

13% *of retailers offered free delivery on everything as standard*

56% *charged more than £10 for delivery on a Saturday*

£8 *was the average delivery charge to France, £12 was the average to the US*

OVERVIEW

Our second section focuses on what the retailers were charging for their various delivery services.

Only 13% of the retailers offered free delivery on everything as standard. Larger retailers were more likely to have this - 27% of the 30 retailers on the Hitwise Top 50 did so.

Overall, we noted that standard delivery charges continue to increase – 43% of the retailers charged £4 or over, compared to 41% in 2005.

For next-day delivery, however, we noticed that charges seemed to be decreasing – only 10% of the retailers charged more than £10 for this premium service.

Specific date delivery was also offered at lower rates than you might expect – 64% charged less than £5.99 for this service.

Charges for delivery at a certain time of day varied greatly – delivery in the morning, for example, cost anything from £3.75 to £15.

Saturday delivery was the most expensive premium service – 58% of the retailers that offered it charged more than £10.

The mode average charge for delivery to the US was £12; to France, £8.

39% of the retailers offered free delivery to the customer if their order value was over a certain amount – again, this practice had grown in popularity as only 24% of retailers had offered this in 2005.

A. HOW MUCH DID THE RETAILER CHARGE FOR STANDARD DELIVERY?

Charge	2009	2009 %	2008	2008 %	2007 %	2006 %
Free	21	12.6%	14	11.4%	15%	13%
Up to £1.99	3	1.8%	6	4.8%	3%	7%
£2 – £2.99	18	10.8%	11	8.9%	11%	10%
£3 – £3.99	52	31.3%	42	34.1%	34%	33%
£4 – £4.99	38	22.9%	27	22%	19%	17%
£5 – £5.99	21	12.7%	13	10.6%	7%	9%
£6 – £9.99	11	6.6%	9	7.4%	4%	4%
£10 or over	2	1.2%	1	0.8%	2%	2%
No info	0	0%	0	0%	5%	5%
TOTAL	**166**	**100%**	**123**	**100%**	**100%**	**100%**

The above table shows us a few interesting trends:

- 13% of the retailers offered free delivery on everything
- 43% of retailers charged more than £4, compared to 41% in 2005

Some other interesting points from the data:

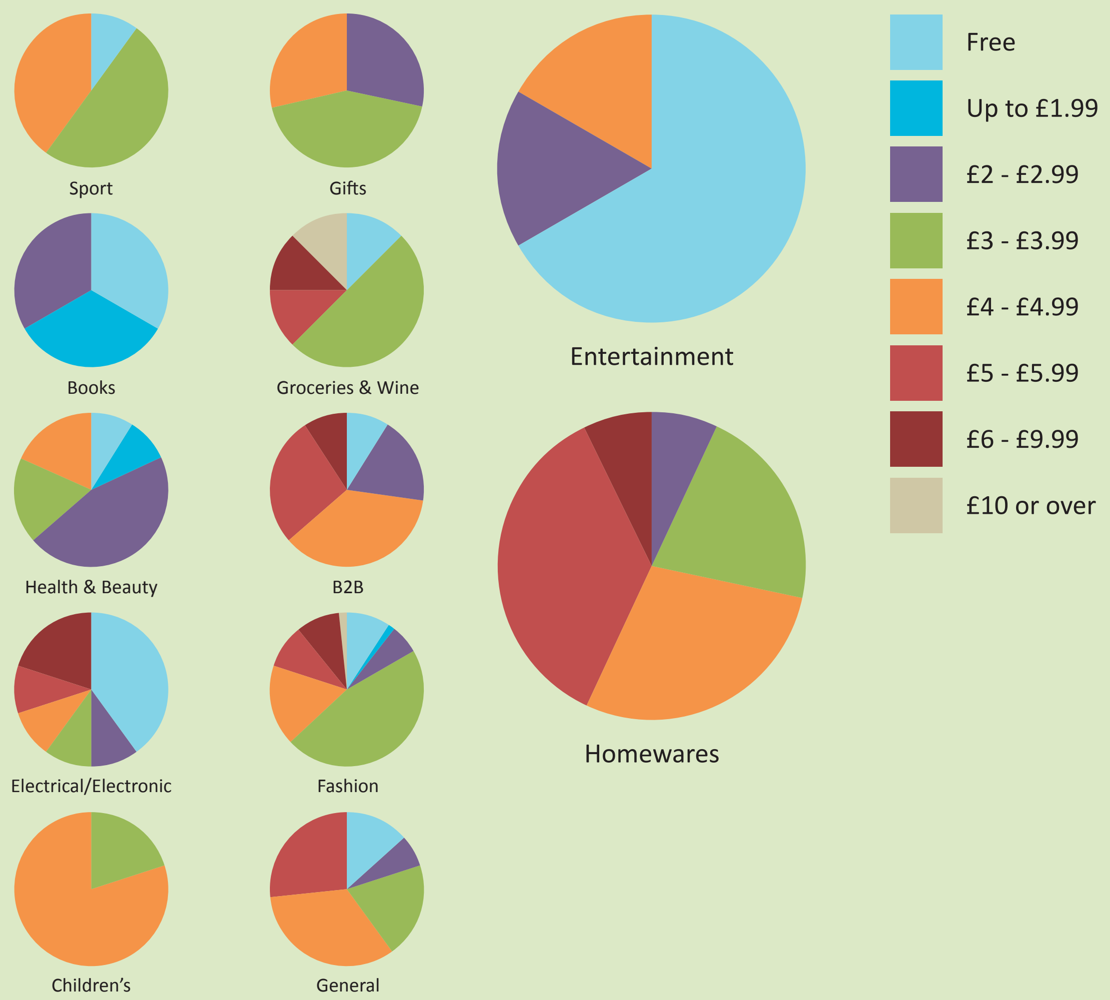
- The mean average delivery charge was £3.88
- The most popular charge, used by 25 retailers, was £3.95

Retailers from the IMRG-Hitwise Hot Shops List

Charge	2009	2009 %	2008	2008 %
Free	8	26.7%	8	26.7%
Up to £1.99	1	3.3%	1	3.3%
£2 – £2.99	1	3.3%	3	10%
£3 – £3.99	8	26.7%	5	16.7%
£4 – £4.99	5	16.6%	8	26.7%
£5 – £5.99	6	20%	3	10%
£6 – £9.99	1	3.3%	2	6.7%
TOTAL	**30**	**100%**	**30**	**100%**

Bigger retailers were much more likely to offer free delivery as standard – 27% did so, compared to 13% of retailers generally.

WHAT DID THE RETAILER CHARGE FOR STANDARD DELIVERY?



Interesting trends here:

- Entertainment retailers were very likely to offer free delivery
- Electrical and Book retailers were more likely to have free delivery
- B2B, Sport, Children, and the department stores and big book catalogue retailers in the General sector had the most expensive standard delivery charges

B. HOW MUCH DID THE RETAILER CHARGE FOR NEXT-DAY DELIVERY?

Charge	2009	2009 %	2008	2008 %
Free	2	2.2%	0	0%
£3 – £3.99	8	8.9%	3	4.4%
£4 – £4.99	14	15.4%	13	18.8%
£5 – £5.99	16	17.6%	13	18.8%
£6 – £6.99	17	18.7%	12	17.4%
£7 – £7.99	9	9.8%	7	10.1%
£8 – £8.99	11	12%	7	10.1%
£9 – £9.99	5	5.5%	3	4.4%
£10 – £10.99	5	5.5%	6	8.7%
£11 – £12.99	0	0%	3	4.4%
£13 – £15	3	3.3%	2	2.9%
Unclear	1	1.1%	0	0%
TOTAL	**91**	**100%**	**69**	**100%**

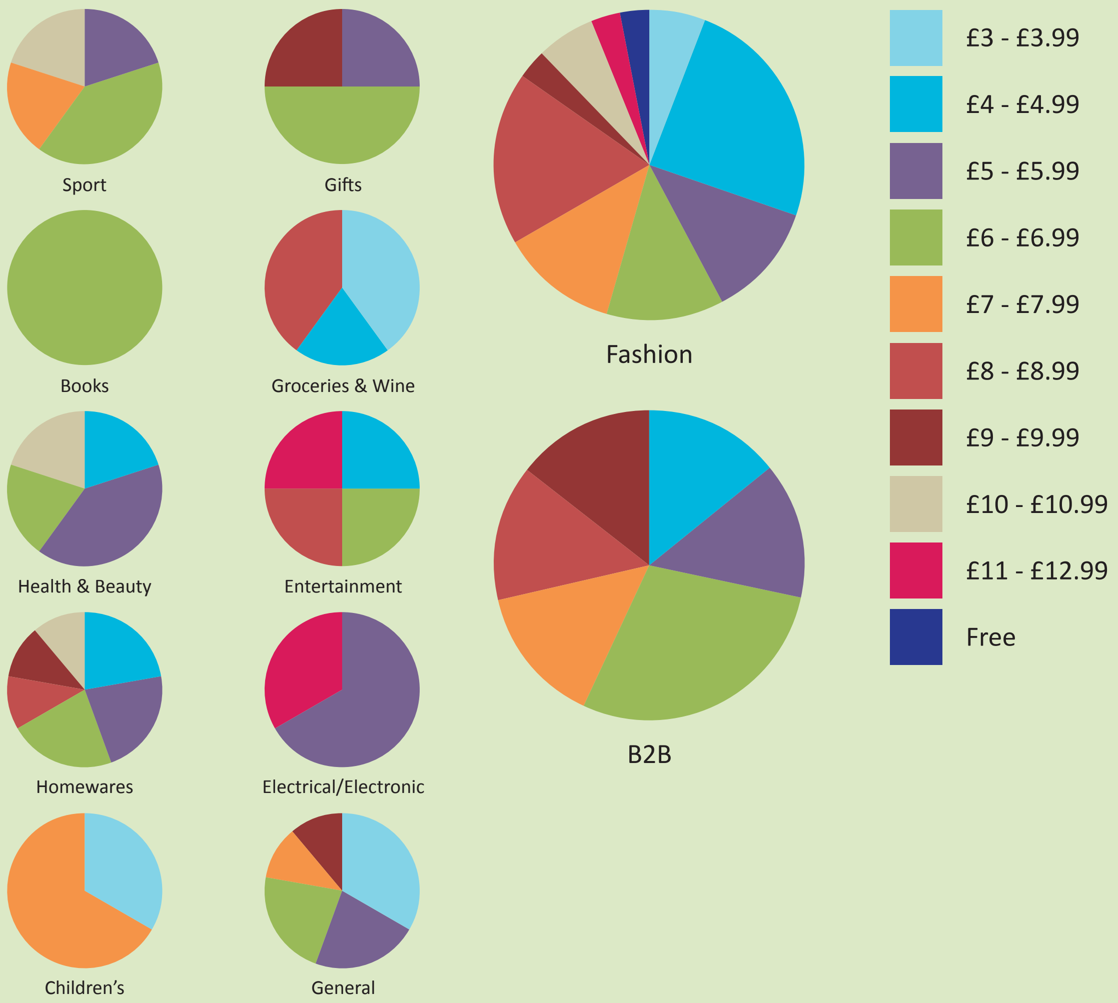
Compared to the other premium services, next-day delivery was very reasonable – only 10% of the retailers charged more than £10 for this service. Last year 16% had charged more than £10, which suggests that next-day delivery premiums are coming down.

Retailers from the IMRG-Hitwise Hot Shops List

Charge	2009	2009 %	2008	2008 %
£3 – £3.99	2	10%	2	11%
£4 – £4.99	4	20%	5	27.8%
£5 – £5.99	7	35%	3	16.7%
£6 – £6.99	4	20%	4	22.1%
£7 – £7.99	1	5%	0	0%
£8 – £8.99	2	10%	1	5.6%
£9 – £9.99	0	0%	1	5.6%
£10 – £10.99	0	0%	1	5.6%
£11 – £12.99	0	0%	1	5.6%
TOTAL	**20**	**100%**	**18**	**100%**

Again, the next-day charges appeared to be decreasing – 65% of the larger retailers charged less than £5.99 for a next-day service.

WHAT DID THE RETAILER CHARGE FOR NEXT-DAY DELIVERY?



There were few noteworthy trends in the sector pie charts – within each sector there were retailers charging different amounts for next-day delivery.

C. HOW MUCH DID THE RETAILER CHARGE FOR DELIVERY ON OR BY A SPECIFIC DATE?

Charge	2009	2009 %	2008	2008 %
Less than £2	0	0%	1	4.2%
£3 – £3.99	8	32%	4	16.7%
£4 – £4.99	2	8%	6	25%
£5 – £5.99	6	24%	5	20.8%
£6 – £6.99	6	24%	5	20.8%
£7 – £7.99	2	8%	2	8.3%
£8 – £8.99	1	4%	0	0%
£12.99	0	0%	1	4.2%
TOTAL	**25**	**100%**	**24**	**100%**

Of the 25 retailers that allowed the customer to pick a specific date for delivery, 64% charged less than £5.99 for the service. This had remained fairly static year on year.

Retailers from the IMRG-Hitwise Hot Shops List

Charge	2009	2009 %	2008	2008 %
£3 – £3.99	4	26.7%	2	15.4%
£4 – £4.99	2	13.3%	6	46.2%
£5 – £5.99	5	33.3%	3	23.1%
£6 – £6.99	3	20%	1	7.7%
£7 – £7.99	1	6.7%	1	7.7%
TOTAL	**15**	**100%**	**13**	**100%**

Larger retailers tended to charge less for delivery on a specific date - 73% charged less than £5.99, compared with 64% of retailers in general.

WHAT DID THE RETAILER CHARGE FOR DELIVERY BY A SPECIFIC DATE?

As you would expect, the supermarkets offering specific date delivery as standard helped to give the Grocery sector the lowest charges. The Electrical, Homewares, Children, and Sport sectors tended to charge more.

D. HOW MUCH DID THE RETAILER CHARGE FOR DELIVERY BY A CERTAIN TIME OF DAY?

Sector	AM	By 10 or 10.30 AM	PM	By 7.30 AM	Evening	1-hour slot	2-hour slot
B2B	£6 £10 £14.68	£15 £24.47		£13.99			
Books		£15					
Electrical	£7.79 £11.74	£13.50 £14.99	£9.97		£11.74		
Entertainment			£14.67				
Fashion	£3.75 £7.95 £7.99	£12.99 £15	£3.75 £7.95 £7.99				
General		£9.97					£6.85
Gifts	£7.95		£7.95				
Grocery	£15					£3 £3.50	£3 £3.50
Health & Beauty	£8						
Homeware	£10.95						

In this section, we counted all of the options and charges – so Curry's is included in the above table 3 times, for example, because they had 3 different time options.

We found that the charges for delivery at a certain time of day varied greatly – delivery in the morning, for example, cost anything from £3.75 to £15.

E. HOW MUCH DID THE RETAILER CHARGE FOR SATURDAY DELIVERY?

Charge	2009	2009 %	2008	2008 %
Less than £5	4	9.3%	2	6.7%
£5 – £5.99	10	23.2%	5	16.7%
£6 – £7.99	4	9.3%	3	10%
£8 – £9.99	4	9.3%	5	16.7%
£10 – £13.99	9	20.9%	6	20%
£14 – £15.99	7	16.3%	7	23.2%
£16 – £19.99	2	4.7%	0	0%
£20 – £25	3	7%	2	6.7%
TOTAL	43	100%	30	100%

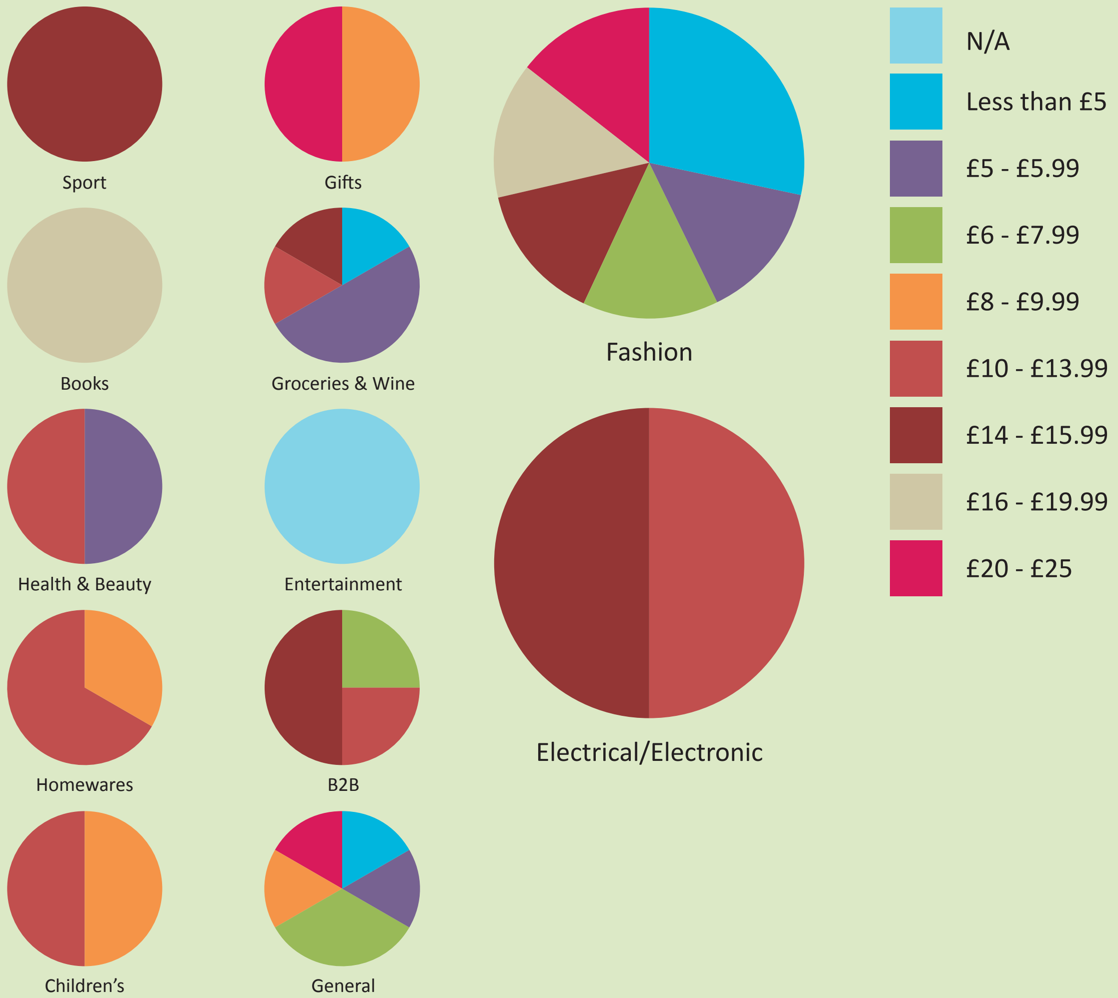
Saturday delivery was the most expensive of the premium delivery services – 49% of retailers charged more than £10. 10% of retailers charged less than £5, however.

Retailers from the IMRG-Hitwise Hot Shops List

Charge	2009	2009 %	2008	2008 %
Less than £5	3	18.8%	2	15.4%
£5 – £5.99	5	31.3%	3	23.1%
£6 – £7.99	2	12.5%	3	23.1%
£8 – £9.99	2	12.5%	1	7.7%
£10 – £13.99	4	25%	3	23.1%
£14 – £15.99	0	0%	1	7.7%
TOTAL	16	100%	13	100%

Again, larger retailers charged less for this premium service – only 25% of them charged more than £10.

WHAT DID THE RETAILER CHARGE FOR SATURDAY DELIVERY?



Again, Sport, Children, Electrical, and Homeware tended to charge more for the premium Saturday delivery service.

F. HOW MUCH DID THE RETAILER CHARGE FOR INTERNATIONAL DELIVERY?

Charge	Europe	US
Under £3	2	0
£3 – £3.99	3	2
£4 – £4.99	0	2
£5 – £5.99	6	2
£6 – £6.99	6	3
£7 – £7.99	6	5
£8 – £8.99	8	1
£9 – £9.99	4	1
£10 – £10.99	3	2
£11 – £11.99	3	1
£12 – £12.99	4	8
£14 – £14.99	0	4
£15 – £15.99	3	3
£16 – £19.99	6	1
£20 – £21.99	3	5
£25 – £29.99	3	5
£30 – £39.99	0	3
£45	0	1
TOTAL	**60**	**49**

58% of the retailers that listed a price for delivery to France had set that charge under £10. The mode average delivery charge to France was £8 (or €8 – at time of writing, the exchange rate is almost at parity).

Only 32% could offer deliver to the US for less than £10, on the other hand. The mode average US charge was £12 (or $12).

Retailers from the IMRG-Hitwise Hot Shops List

Charge	Europe	US
Under £3	2	0
£4 – £4.99	0	2
£5 – £5.99	3	1
£6 – £6.99	1	1
£7 – £7.99	0	1
£10 – £10.99	1	0
£15 – £15.99	0	1
£16 – £19.99	0	0
£20 – £21.99	0	1
TOTAL	**7**	**7**

Only 7 of the retailers included in our research and in the Hitwise Top 50 gave a price for European or US delivery. All of them could deliver to France for less than £11, and 71% could do so to the US.

G. DID THE RETAILER OFFER FREE DELIVERY OVER A CERTAIN ORDER VALUE THRESHOLD?

Free delivery threshold	2009	2009 %	2008	2008 %	2007 %	2006 %	2005 %
Free delivery anyway	21	12.7%	14	11.4%	15%	13%	13%
£19 or less	4	2.4%	2	1.6%	1%	1%	2%
£20 – £35	14	8.4%	6	4.9%	3%	3%	3%
£40 – £49.99	7	4.2%	7	5.7%	4%	4%	4%
£50 – £149	31	18.7%	15	12.2%	12%	13%	8%
£150 – £250	5	3%	6	4.9%	3%	3%	3%
£300 – £2500	4	2.4%	3	2.4%	5%	4%	4%
3 products or more	0	0%	n/a	n/a	1%	n/a	n/a
None	80	48.2%	70	56.9%	56%	59%	63%
TOTAL	166	100%	123	100%	100%	100%	100%

39% of the retailers gave the customer free delivery if their order was over a certain amount of money. This tactic to drive up the order value seems to be increasing in popularity as only 24% of retailers had such a threshold back in 2005.

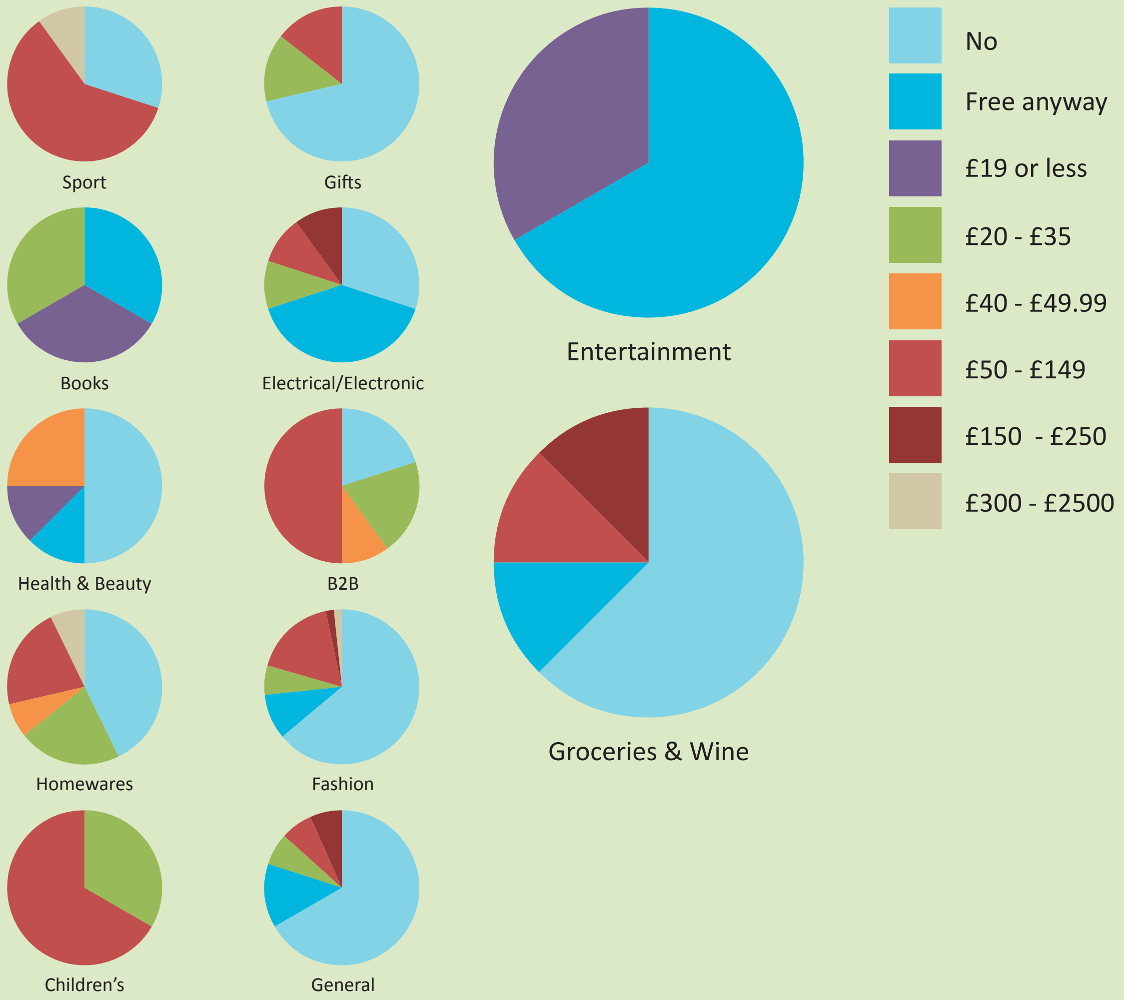
The numbers also suggest that the order value threshold is getting lower – 15% gave the customer free delivery if their order was over £49.99 or less, compared with 9% in 2005.

Retailers from the IMRG-Hitwise Hot Shops List

Free delivery threshold	2009	2009 %	2008	2008 %
Free delivery anyway	8	26.7%	8	26.7%
£19 or less	0	0%	1	3.3%
£20 – £35	1	3.3%	2	6.7%
£40 – £49.99	1	3.3%	2	6.7%
£50 – £100	4	13.3%	2	6.7%
£150 – £250	1	3.3%	2	6.7%
£300 – £2500	0	0%	1	3.3%
None	15	50%	12	40%
TOTAL	30	100%	30	100%

The larger retailers were less likely to offer a free delivery threshold, mainly becuase 27% offered free delivery as standard.

DID THE RETAILER OFFER FREE DELIVERY OVER A CERTAIN THRESHOLD?



In every sector there was at least one retailer that offered free delivery over a certain order value threshold. Grocery had the highest order values; Entertainment had the lowest.

3. DELIVERY FLEXIBILITY

11PM *was the latest cut-off point for next-day delivery*

42% *of the retailers had a UK-only delivery policy*

15% *had any in-store delivery services*

OVERVIEW

The latest delivery deadline this year was an impressive 11pm. 6% of retailers could accept orders for next-day delivery after 6pm. However, 4% insisted on receiving orders before 11.30am.

8% of the retailers insisted on delivering at least the first order to the customer's billing address.

42% of retailers had a UK only delivery policy, although 43% were willing to deliver worldwide. Larger retailers were less likely to delivery abroad – 67% would only deliver to the UK.

Only 10% of the retailers allowed a customer to split one order across multiple addresses.

Only 26% of the retailers allowed the customers to add delivery instructions such as 'leave the order in the greenhouse' to their order.

15% offered in-store collection services, although this was much more popular among the larger retailers – 37% of them supported this.

A. DID THE ORDER HAVE TO BE RECEIVED BY A CERTAIN TIME?

Deadline	2009	2009 %
9 – 9.30 AM	1	0.6%
10 – 10.30 AM	2	1.2%
11 – 11.30 AM	4	2.4%
12 – 12.30 PM	24	14.5%
1 – 1.30 PM	20	12%
2 – 2.30 PM	13	7.8%
3 – 3.30 PM	12	7.2%
4 – 4.30 PM	11	6.6%
5 – 5.30 PM	7	4.2%
6 – 6.30 PM	6	3.6%
8 – 8.30 PM	2	1.2%
10 PM	1	0.6%
11 PM	1	0.6%
No deadline/info	62	37.3%
TOTAL	**166**	**100%**

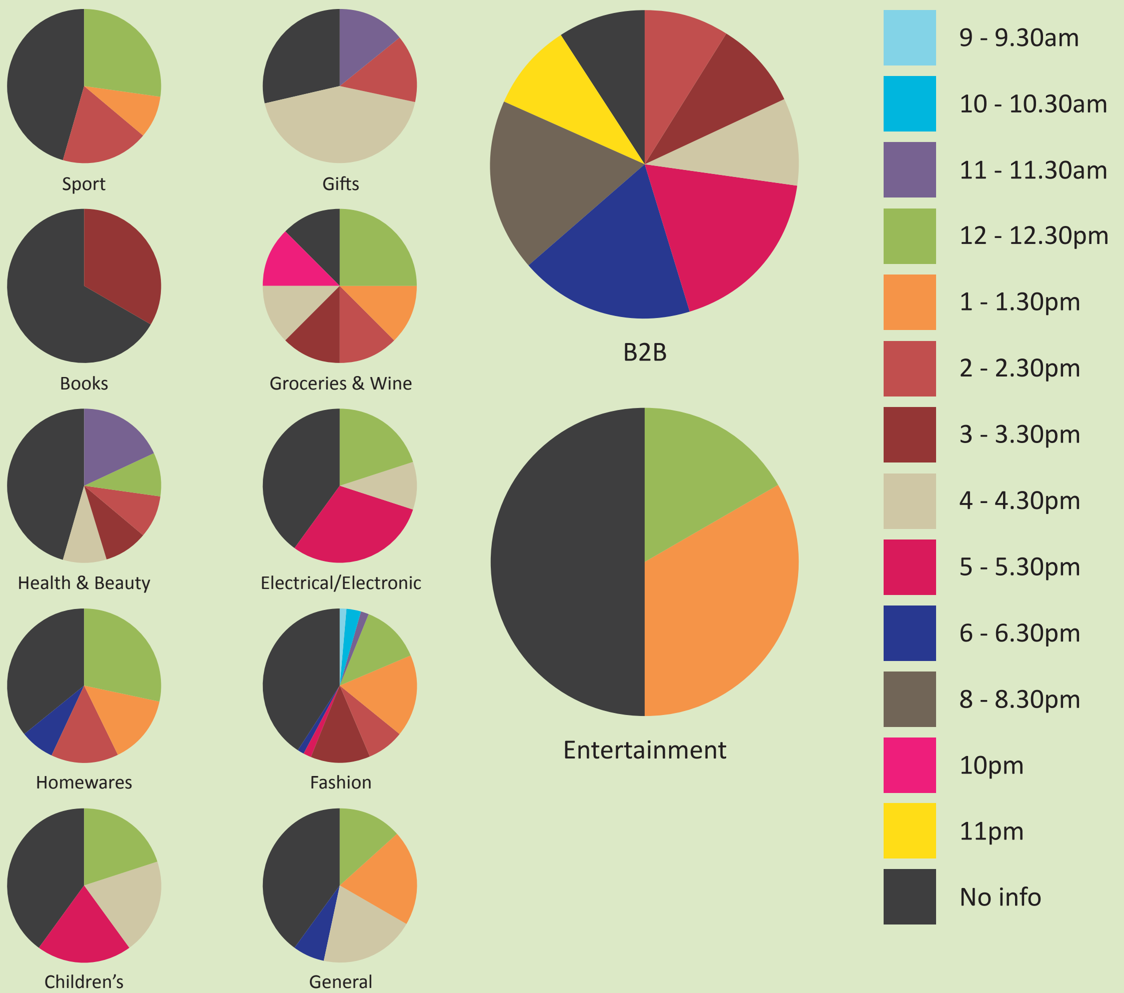
How late could a customer place an order on the site? We were very impressed to see a deadline of 11pm this year – this was from Ebuyer. 10 retailers allowed the customer to place their orders after 6pm but 7 had deadlines earlier than 11.30am, which seemed very early.

Retailers from the IMRG-Hitwise Hot Shops List

Deadline	2009	2009 %
12 – 12.30 PM	5	16.7%
1 – 1.30 PM	6	20%
2 – 2.30 PM	2	6.6%
3 – 3.30 PM	1	3.3%
4 – 4.30 PM	2	6.6%
6 – 6.30 PM	5	16.7%
10 PM	1	3.3%
No info	8	26.7%
TOTAL	**30**	**100%**

The larger retailers had later deadlines – 6 of the 10 retailers that accepted orders after 6pm were Hitwise Top 50 sites.

DID THE ORDER HAVE TO BE RECEIVED BY A CERTAIN TIME?



The B2B retailers had the latest deadlines – none of them had a cut-off point earlier than 2pm. Other than that there was a broad variation within each sector.

B. WAS IT MANDATORY FOR THE ORDER TO BE DELIVERED TO THE BILLING ADDRESS?

Deliver to billing address	2009	2009 %	2008	2008 %	2007 %	2006 %	2005 %
Yes	153	92%	112	91%	87%	90%	79%
No	13	8%	11	9%	11%	10%	17%
Unclear	0	0%	0	0%	0%	0%	4%
TOTAL	**166**	**100%**	**123**	**100%**	**100%**	**100%**	**100%**

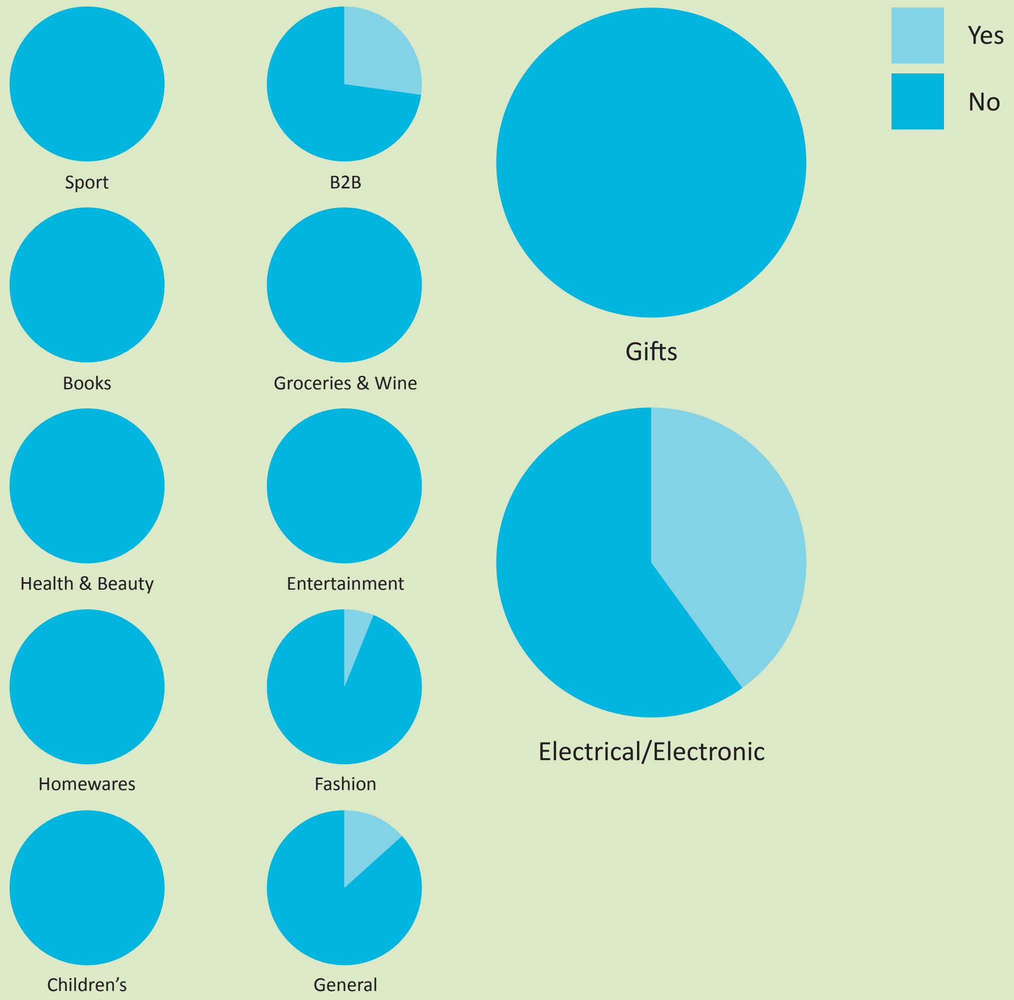
Insisting on delivering to the customer's billing address has declined over the years, thanks to the improvements in anti-fraud technology and procedures. However, 8% of the retailers had retained it.

Retailers from the IMRG-Hitwise Hot Shops List

Deliver to billing address	2009	2009 %	2008	2008 %
Yes	27	90%	26	86.7%
No	3	10%	4	13.3%
TOTAL	**30**	**100%**	**30**	**100%**

10% of the larger retailers insisted on delivering to the billing address.

WAS IT MANDATORY FOR THE ORDER TO GO TO THE BILLING ADDRESS?



The sector charts show that, as you'd expect, the electronics sector was most likely to insist on delivery to billing address.

C. COULD THE RETAILER DELIVER OVERSEAS?

Overseas delivery	2009	2009 %	2008	2008 %	2007 %
UK only	69	41.6%	59	48%	46%
UI & ROI only	8	4.8%	6	4.9%	7%
Europe only	9	5.4%	n/a	n/a	n/a
International	72	43.4%	30	24.4%	20%
Specified countries	n/a	n/a	15	12.2%	17%
No info	8	4.8%	13	10.6%	10%
TOTAL	**166**	**100%**	**123**	**100%**	**100%**

With the pound currently weak against the euro and the dollar, we expected to see more retailers willing to deliver abroad. However, 42% had a strict UK-only policy, and many of these were 'mainland only' – they would not deliver to the Channel Islands. 43% delivered world-wide. The charges for international delivery can be found in Part Two of this report.

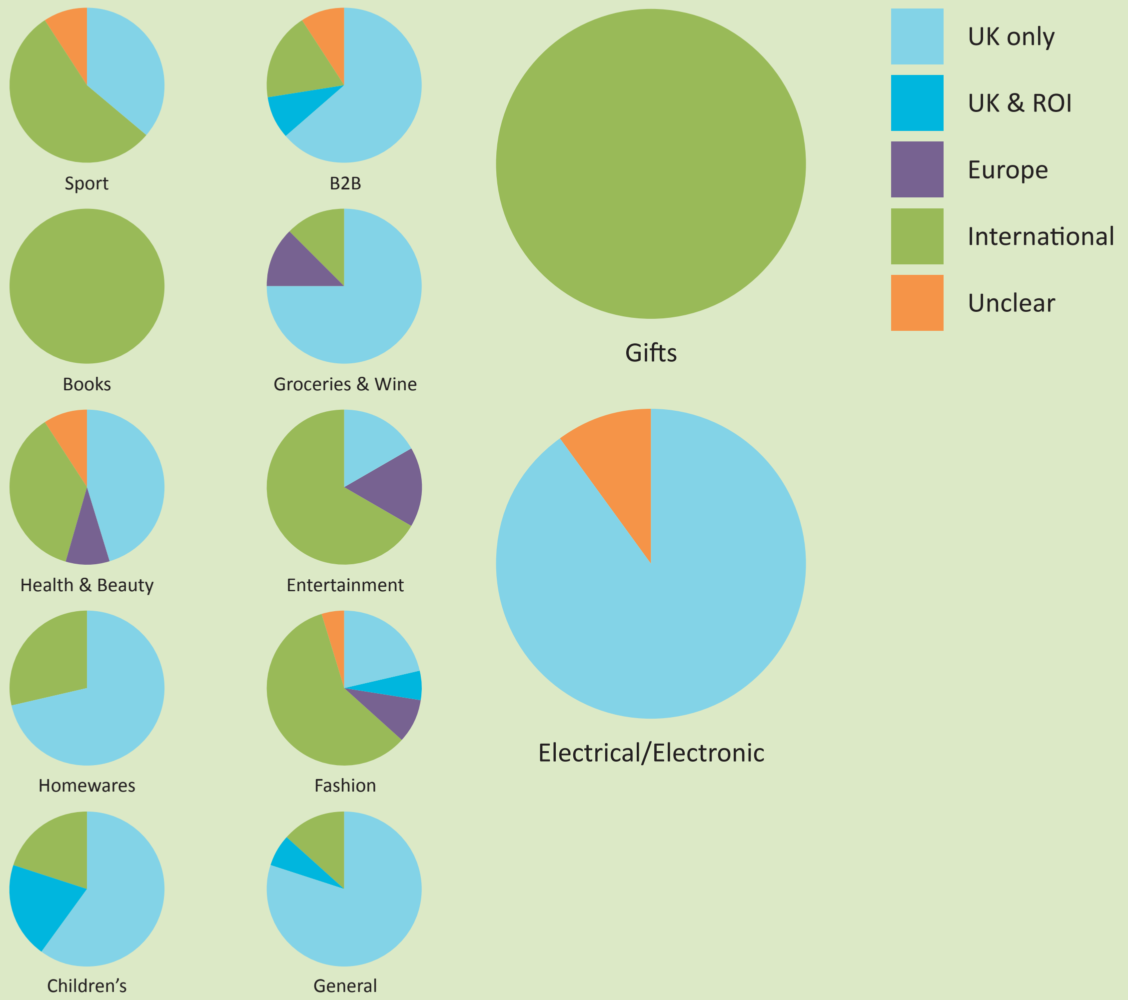
A very small number of retailers would deliver abroad but only accepted credit cards registered in the UK. These were counted as international for the purposes of this report.

Retailers from the IMRG-Hitwise Hot Shops List

Overseas delivery	2009	2009 %	2008	2008 %
UK only	20	66.7%	19	63.3%
Specified countries	n/a	n/a	6	20%
Europe only	1	3.3%	n/a	n/a
Fully international	8	26.7%	2	6.7%
No info	1	3.3%	3	10%
TOTAL	**30**	**100%**	**30**	**100%**

Larger retailers were much less likely to deliver overseas – 67% had a UK only policy and didn't even deliver to the Republic of Ireland.

COULD THE RETAILER DELIVER OVERSEAS?



There were some clear trends in the sector breakdown for international delivery. Books, Entertainment, Fashion, Gifts and Sport were all more likely to deliver overseas. None of the Electronics retailer did so.

D. WAS IT POSSIBLE TO SPLIT THE ORDER ACROSS MULTIPLE DELIVERY ADDRESSES?

Split delivery	2009	2009 %	2008	2008 %	2007 %	2006 %	2005 %
Yes	17	10.2%	15	12.1%	9%	6%	5%
No	149	89.8%	108	87.9%	91%	94%	95%
TOTAL	**166**	**100%**	**123**	**100%**	**100%**	**100%**	**100%**

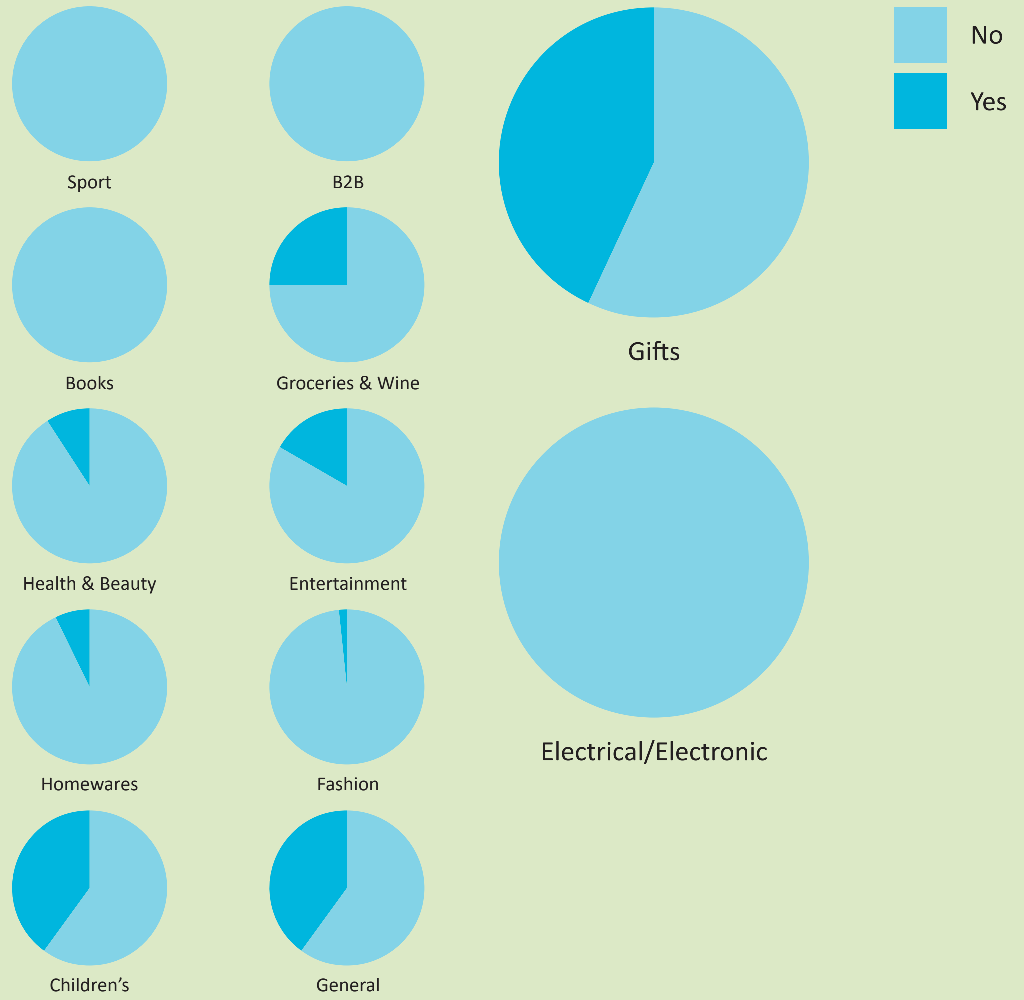
Only 17 retailers allowed the customer to send items from one single order to different destinations.

Retailers from the IMRG-Hitwise Hot Shops List

Split delivery	2009	2009 %	2008	2008 %
Yes	4	13.3%	3	10%
No	26	86.7%	27	90%
TOTAL	**30**	**100%**	**30**	**100%**

The larger retailers were not any more likely to offer multiple address deliveries – only 13% had this option.

WAS IT POSSIBLE TO SPLIT THE ORDER ACROSS MULTIPLE DELIVERY ADDRESSES?



As you might expect, the Gift sector sites were most likely to allow the customer to send goods to different addresses from one order. One of the two retailers in the Children's sector that allowed this was Hamleys, a site that could also possibly be classed as a Gift destination, as could Harrods from the General category.

E. WAS IT POSSIBLE TO ADD SPECIAL DELIVERY INSTRUCTIONS?

Split delivery	2009	2009 %	2008	2008 %	2007 %	2006 %	2005 %
Yes	43	26%	28	22.8%	22%	19%	20%
No	123	74%	95	77.2%	78%	81%	80%
TOTAL	**166**	**100%**	**123**	**100%**	**100%**	**100%**	**100%**

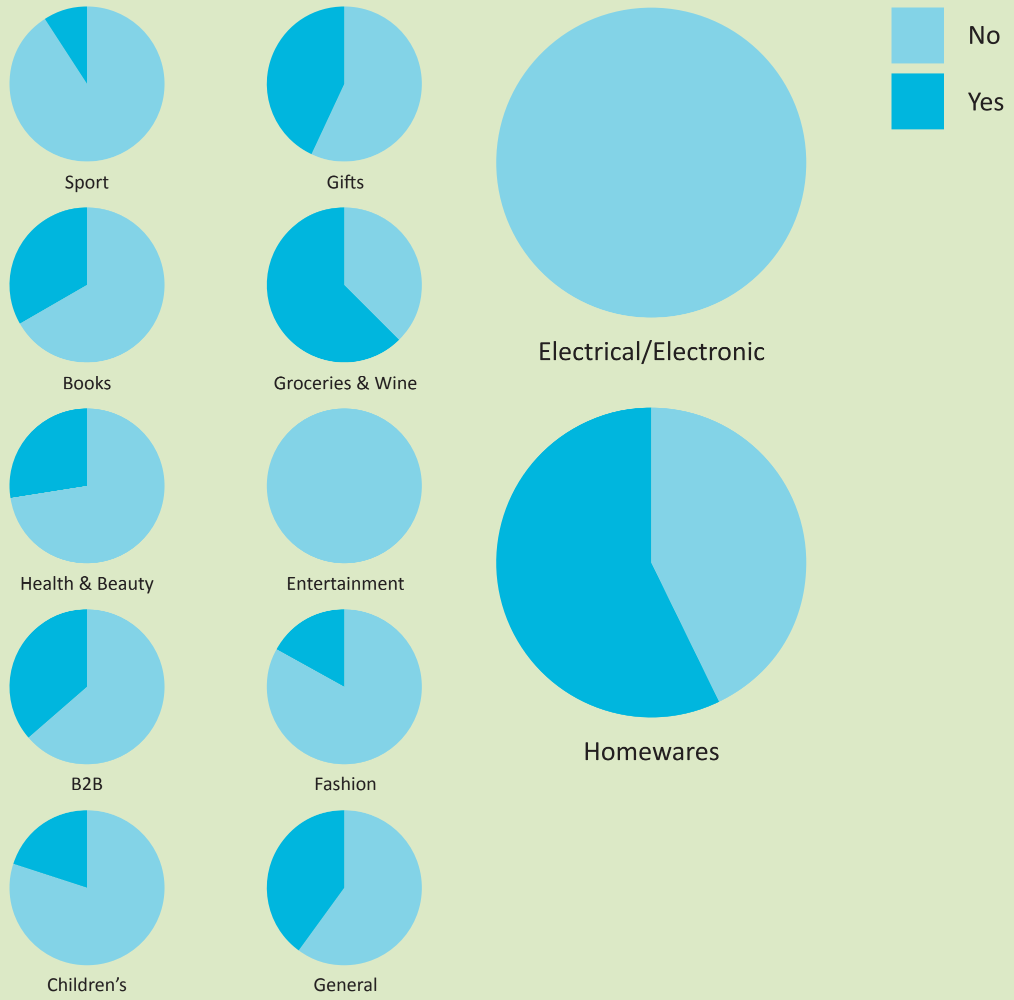
“Leave the goods with my next-door neighbour” or other delivery instructions can be very useful to both the customer and the retailer - the customer can be sure of receiving the order without having to stay in and wait for it and it can reduce the likelihood of a failed delivery. However, only 26% of the retailers had this option on their sites.

Retailers from the IMRG-Hitwise Hot Shops List

Split delivery	2009	2009 %	2008	2008 %
Yes	9	30%	6	20%
No	21	70%	24	80%
TOTAL	**30**	**100%**	**30**	**100%**

The larger retailers were very slightly more likely to let the customer add instructions.

WAS IT POSSIBLE TO ADD SPECIAL DELIVERY INSTRUCTIONS?



Electronics and Entertainment were the only sectors where no retailer accepted any delivery instructions. Homeware and Grocery were the only two where most retailers had this.

F. DID THE RETAILER OFFER ANY IN-STORE DELIVERY SERVICES?

Split delivery	2009	2009 %	2008	2008 %	2007 %
Yes, collect from store	25	15%	19	15.4%	12
Yes, check stock in store	2	1.2%	1	0.8%	2
No	139	83.8%	103	83.7%	86
TOTAL	**166**	**100%**	**123**	**100%**	**100%**

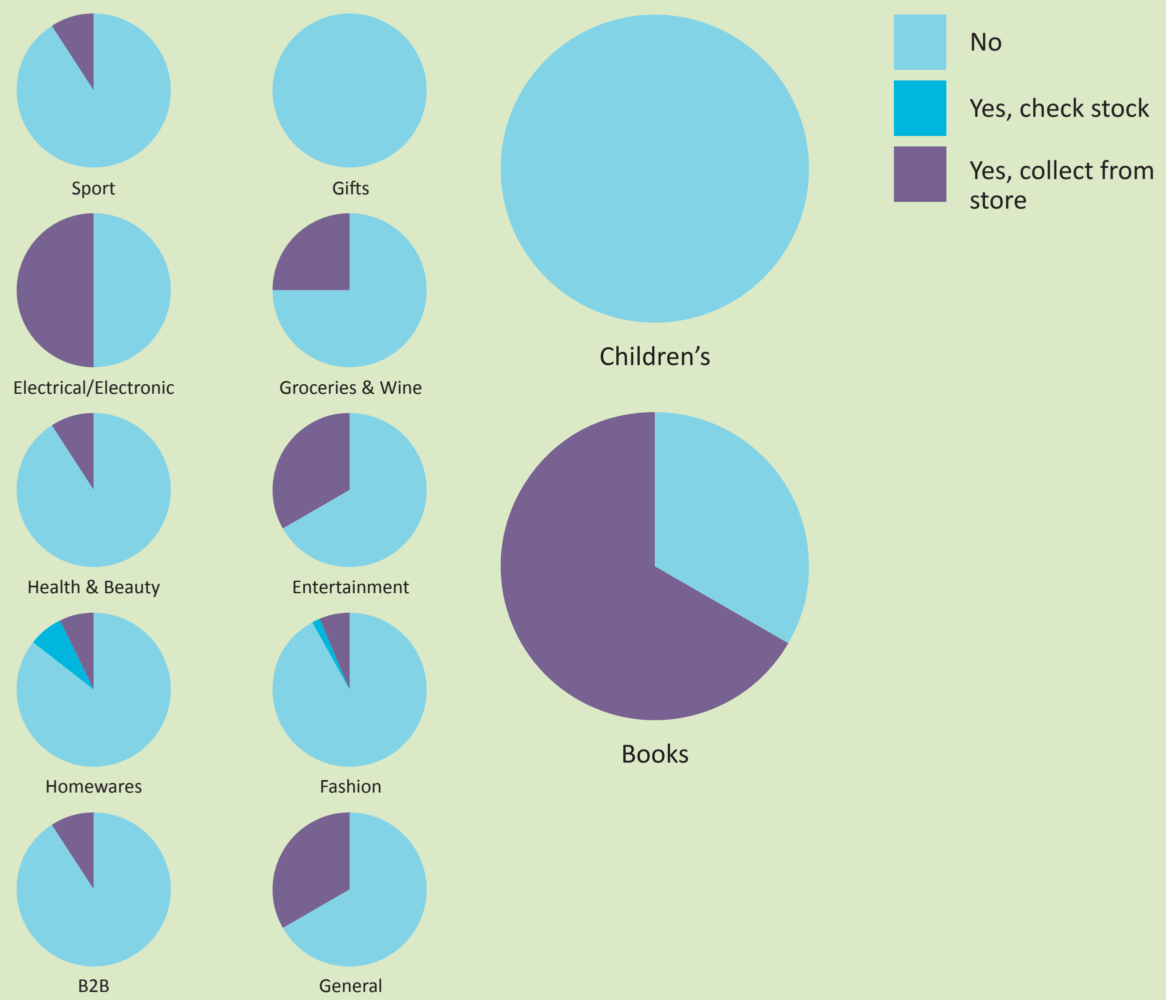
15% of the retailers offered a 'click and collect' service – in most cases, this was an option to deliver the order to a store for collection but several retailers offered reserve and collect, where items already held in store could be reserved for immediate pick-up.

Retailers from the IMRG-Hitwise Hot Shops List

Split delivery	2009	2009 %	2008	2008 %
Yes, collect from store	11	36.7%	4	13.3%
Yes, check stock in store	1	3.3%	3	10%
No	18	60%	23	76.7%
TOTAL	**30**	**100%**	**27**	**100%**

Larger retailers were much more likely to offer some kind of collect in-store service – 37% of them did so.

WERE THERE ANY IN-STORE SERVICES?



Only the Gifts and Children's sectors had no retailers that offered collect from store. It was most likely to be found in the Books and Electronics sectors.

4. DELIVERY INFORMATION

50% *of larger retailers showed the delivery charge on their product pages*

84% *offered online order tracking, up from 59% in 2005*

71% *of sites failed to return any useful delivery information when we searched for 'delivery'*

OVERVIEW

In this section, we focus on the information that was provided to the customer during the order and fulfilment process.

On the positive side, more retailers are putting a link to delivery information at both the top and the bottom of their homepage, which is certainly helpful for the customer. 'Help' was the most popular link at the top of the page, and 'Delivery Information' was the preferred link at the bottom.

Nearly 50% of larger retailers are now showing the delivery charge on every individual product page. However, 30% of all retailers still insist that the customer proceeds through checkout before it is shown.

84% offered online order tracking this year (compared with just 59% when we started this research in 2005).

94% of the orders were confirmed by e-mail, and 65% of the retailers sent us an e-mail to say that the goods had been despatched.

Less positively, 71% of the sites failed to return any useful delivery information when the customer typed 'delivery' into the search box.

26% of the orders required a signature but we were not warned about this on the website.

A. ON THE HOMEPAGE, WHERE WERE THE LINKS TO THE DELIVERY INFORMATION PAGE?

Position	2009	2009 %	2008	2008 %	2007 %	2006 %	2005 %
Top and bottom	73	44%	46	37.4%	40%	37%	33%
Bottom only	59	35.5%	29	23.6%	23%	16%	16%
Top only	22	13%	29	23.6%	24%	23%	22%
Other arrangement	11	6.6%	15	12.2%	10%	22%	27%
None	1	0.6%	4	3.3%	3%	2%	2%
TOTAL	**166**	**100%**	**123**	**100%**	**100%**	**100%**	**100%**

The vast majority of the retailers (92%) positioned their links either at the top of the homepage, at the bottom of the homepage, or both. The others had used the left hand menu or occasionally the right hand side of the homepage. Only 1 retailer had no links at all.

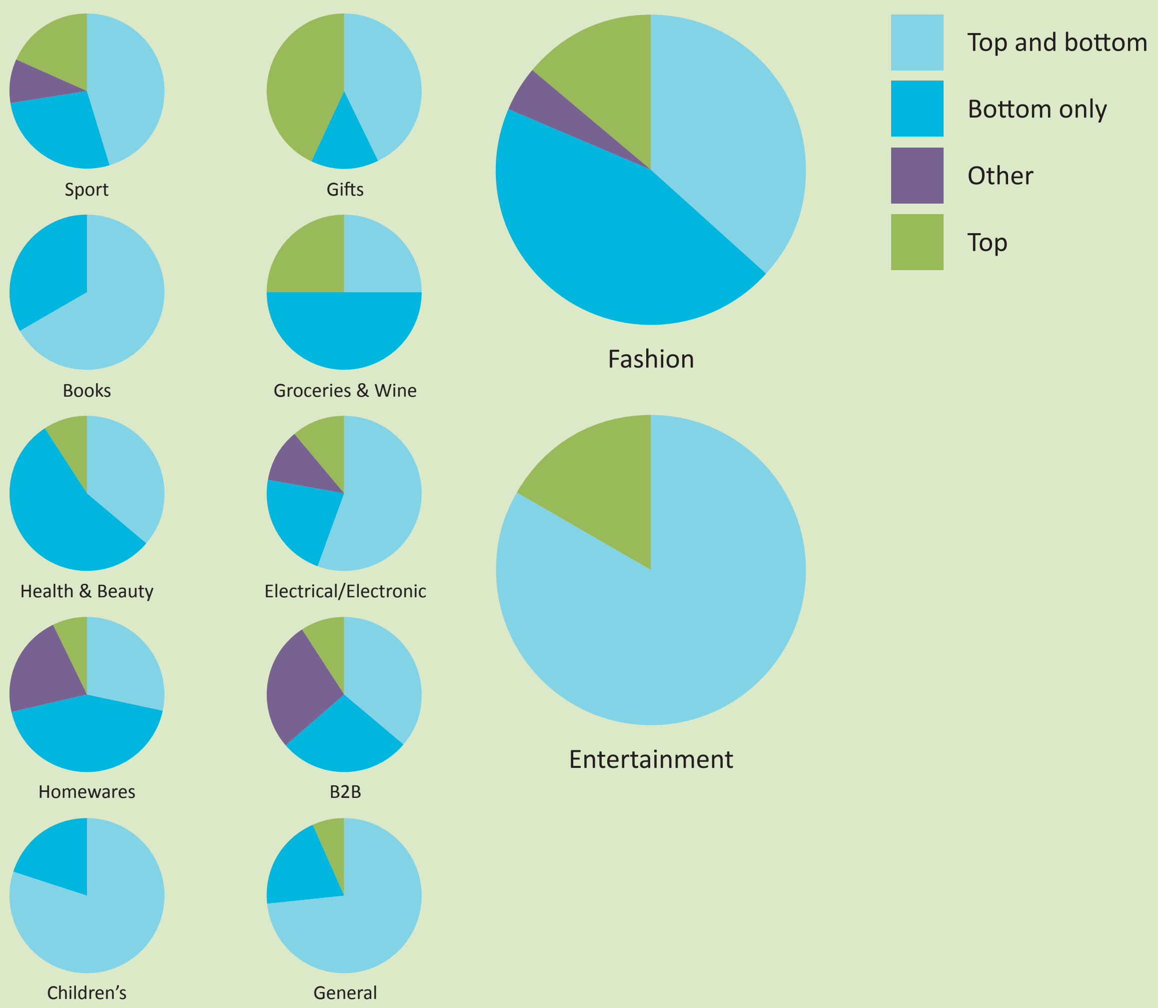
From the customer's perspective, links at both the top and the bottom of the homepage are very helpful, as it reduces searching time. 44% of the retailers did this, an increase on last year.

Retailers from the IMRG-Hitwise Hot Shops List

Position	2009	2009 %	2008	2008 %
Top and bottom	17	56.7%	15	50%
Bottom only	8	26.7%	3	10%
Top only	2	6.7%	9	30%
Other arrangement	2	6.7%	1	3.3%
None	1	3.3%	2	6.7%
TOTAL	**30**	**100%**	**30**	**100%**

Larger retailers were more likely (57%) to have links at both the top and bottom of their homepages.

WHERE WERE LINKS TO DELIVERY INFORMATION POSITIONED ON THE HOMEPAGE?



There were few notable trends in the sector breakdown. In the four sectors of Electrical, Entertainment, Books, and Childrens more than half of the retailers had opted for links at both the top and bottom but otherwise there were no obvious patterns.

B. WHAT TERMINOLOGY WAS USED TO LINK TO THE DELIVERY INFORMATION PAGE?

Most popular in	Top of page	Bottom of page
2009	“Help” (49)	“Delivery information” (26)
2008	“Help” (32)	“Delivery” (16)
2007	“Help” (31)	“Delivery” (15)
2006	“Help” (32)	“Delivery” (12)
2005	“Help” (31)	No single phrase

2nd most popular in	Top of page	Bottom of page
2009	“Customer service” (13)	“Delivery” (23)
2008	“Customer service” (7)	“Delivery information” (14)
2007	“Customer service” (9)	n/a
2006	“Customer service” (10)	n/a
2005	“Customer service” (10)	“Delivery” (10)

The word or phrase used in the link from the homepage to delivery information is possibly more important than the position.

The above table shows that 30% of our 166 retailers had a link called ‘Help’ at the top of their home pages. Another 14 had used it at the bottom, making it the most popular link (as the tag cloud overleaf shows).

‘Delivery Information’ was the most popular link at the bottom of the homepage, overtaking ‘Delivery’.

Retailers from the IMRG-Hitwise Hot Shops List

	Top of page	Bottom of page
Most popular	“Help” (49)	“Delivery information” (26)
2nd most popular	“Customer service” (32)	“Delivery” (16)

The larger sites followed the general trend exactly – ‘Help’ and ‘Delivery Information’.

Sector trends

Sector	Top of page	Bottom of page
B2B	“Help”	“Delivery”
Books	“Help”	“Delivery information”
Electrical/Electronic	“Help & support”	“Delivery information”
Entertainment	“Help”	“Delivery information”
Fashion	“Help”	“Delivery”
General	“Help”	“Delivery information”
Gifts	“Delivery”	“Delivery information”
Grocery & wine	“Help”	“Help”
Health & beauty	“Help”	“Delivery”
Homeware	“Help”	“Delivery”
Children’s	“Help”	“Delivery information”
Sport	“Help”	“Delivery”

And again – the sector chart shows very few deviations from the general trend.

The cloud tag gives some idea of the variety of link terminology used and the popularity of each one.

Terms Shipping Information
Delivery Info & Terms **Delivery Options** Free next day delivery

Shipping Shipping & Returns speedy delivery

about delivery Delivery Promise

Help

Help Centre

Customer Service

Payment & Delivery Delivery & Installation

all support options Free mainland UK delivery

free next day delivery on orders over £35

Delivery & Help

Need Help?
Home Delivery & Collect from Store

Home Delivery Ordering Info Free Delivery

Delivery & Returns

Click here for our helpdesk Terms & Conditions
Delivery Charges get it delivered for £5.80
Delivery Rates & Policies

Customer Services

Help & Contact HelpDesk

Delivery Information

Help/Info **Delivery Info** Customer Support **FAQs** Delivery & Returns Information **Delivery Info**

Orders & Returns Free delivery + Help

Play.com Help
Service & Delivery Shipping Guide
Delivery & Service
Delivery Policy

Delivery

Delivery Prices

Buying online terms (including delivery and charges) Customer

Delivery Service

Our Delivery Service Delivery Times

Help & Support

C. WHAT HAPPENED WHEN THE CUSTOMER DID A SEARCH FOR 'DELIVERY' ON THE SITE?

Result returned	2009	2009 %	2008	2008 %
No delivery information returned	118	71%	85	69.1%
Delivery information returned	44	26.5%	32	26%
No search	4	2.5%	6	4.9%
TOTAL	**166**	**100%**	**123**	**100%**

What happened when the customer went straight to the search box and typed in 'delivery'? Did the site return useful delivery information?

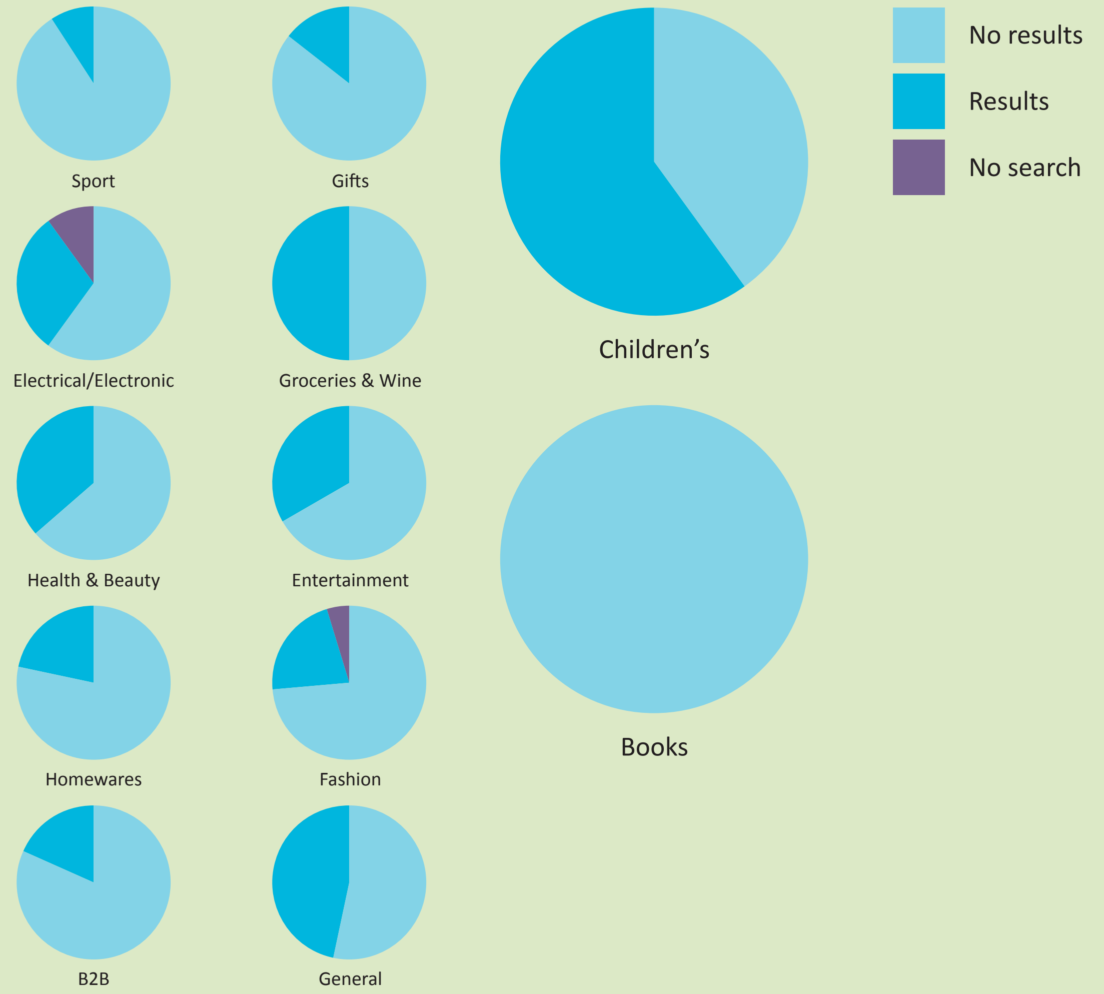
Unfortunately, the answer is no. 71% of the sites we visited either returned nothing at all, or we were presented with a list of products.

Retailers from the IMRG-Hitwise Hot Shops List

Result returned	2009	2009 %	2008	2008 %
No delivery information returned	15	50%	17	56.6%
Delivery information returned	14	46.7%	11	36.7%
No search	1	3.3%	2	6.7%
TOTAL	**30**	**100%**	**30**	**100%**

Larger retailers were much more likely to have search functionality that indexes the static content on their sites – nearly 47% of the searches for 'delivery' produced useful information on delivery charges and options. However, that still left no less than 15 retailers on the Hitwise Hit Shops List that did not provide useful delivery information from a search.

DID DELIVERY RETURN USEFUL SEARCH RESULTS?



The sectors that performed well in this sector were Grocery & Wine, the department stores and big book catalogue retailers in the General category, and Children's products. Books was the only sector where none of the three sites could return any delivery information from a search.

D. WHEN DID THE CUSTOMER FIRST SEE THE DELIVERY CHARGE FOR THEIR ORDER?

Charge first shown on	2009	2009 %	2008	2008 %
Product page	46	27.7%	36	29.3%
Link on product page	12	7.2%	13	10.6%
Basket page	54	32.5%	42	34.1%
During checkout (after basket page)	50	30.1%	32	26%
When booking a delivery slot (supermarkets)	4	2.4%	n/a	n/a
TOTAL	**166**	**100%**	**123**	**100%**

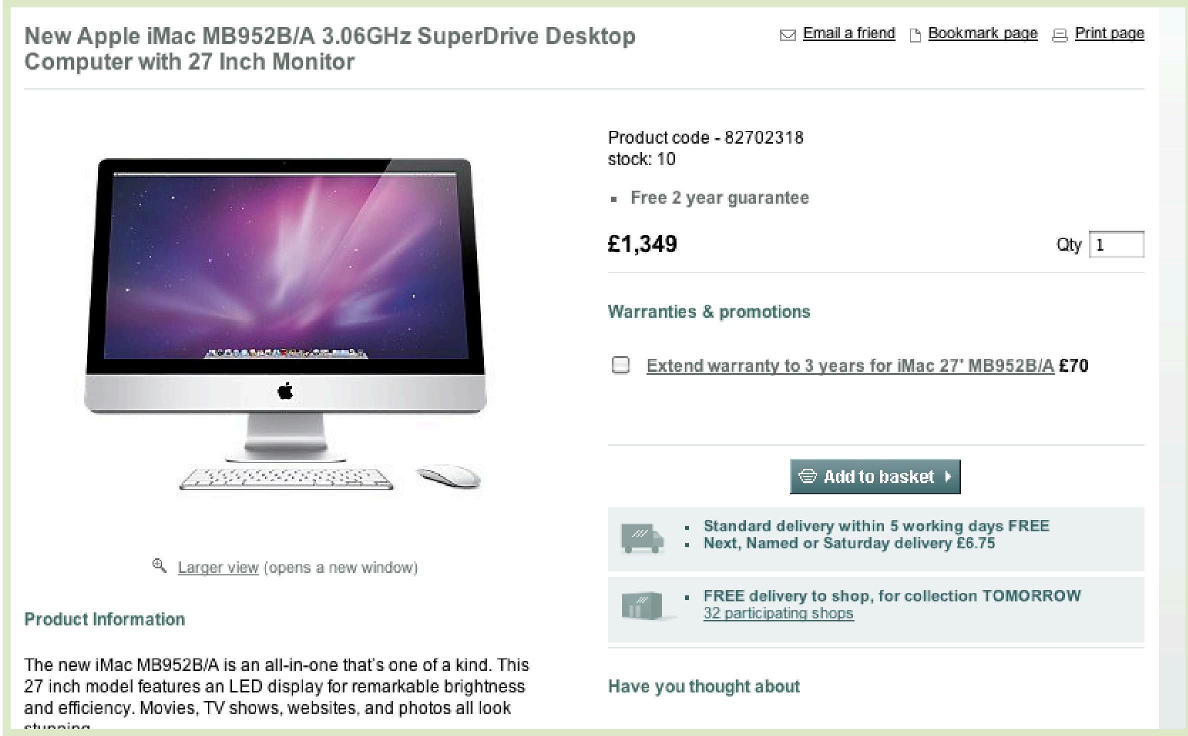
Nearly a third of the 166 retailers gave no indication of the delivery charge until they were in the final stages of the purchase process – no charge was shown on the product page or on the basket page.

There are three possible reasons for this. Firstly, the retailer might believe that showing the delivery charge up front will deter the customer from placing the order – we would argue that these customers will just abandon the order at a later stage in the funnel when the charge is finally shown, but that could be the retailer's thinking.

Retailers that calculate the delivery charge based on what's in the order, where it's going and by when will admittedly only be able to show the exact cost once the customer has provided all of those details.

And lastly, retailers that offer two or more delivery options might prefer to wait until the delivery stage before showing the full range of charges on offer.

In both of the latter cases, it is still helpful if the customer is given some indication of what the charge will be. John Lewis does this particularly neatly on every single product page:

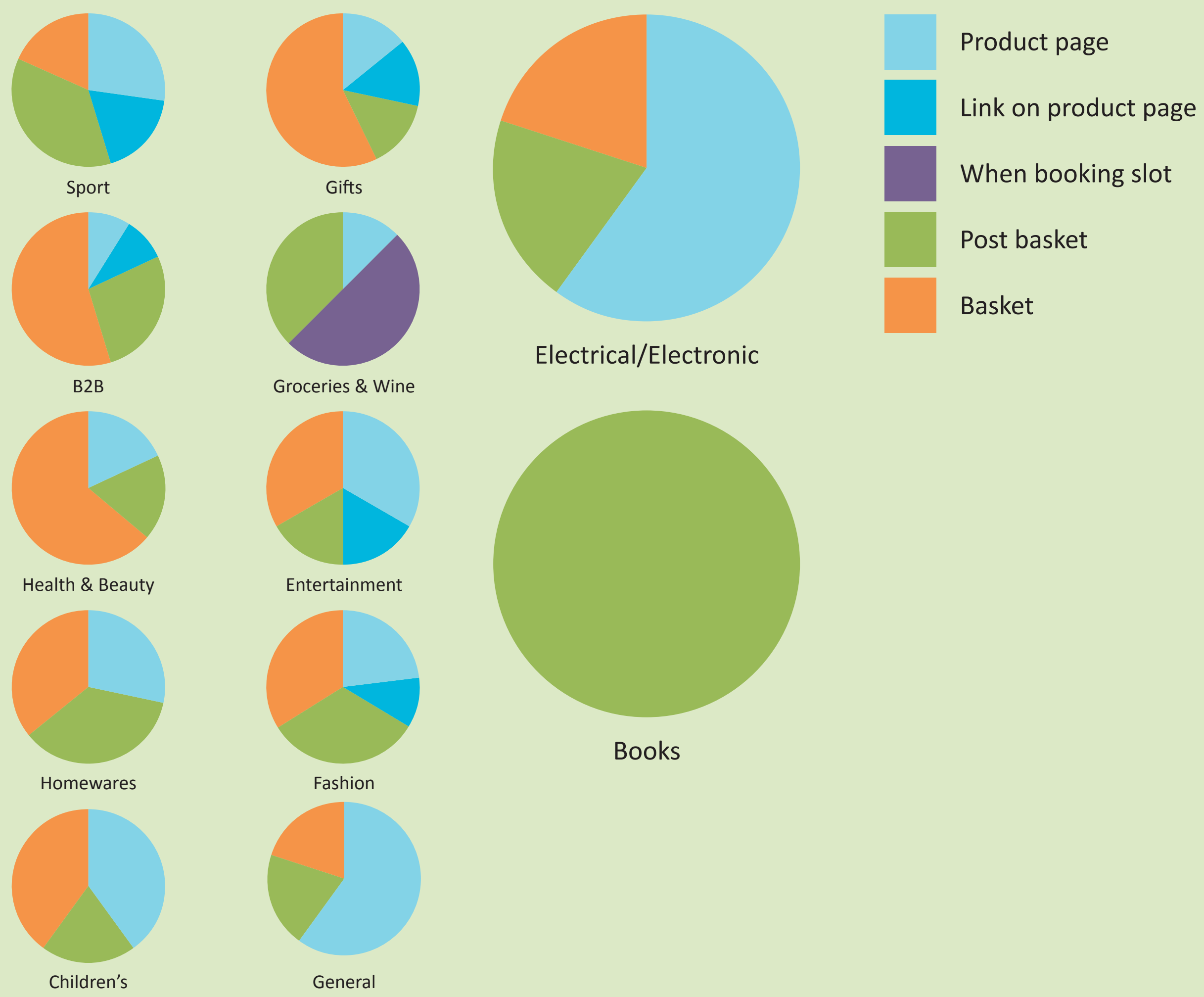


Retailers from the IMRG-Hitwise Hot Shops List

Charge first shown on	2009	2009 %	2008	2008 %
Product page	14	46.7%	18	60%
Link on product page	1	3.3%	n/a	n/a
Basket page	7	23.3%	8	26.7%
During checkout (after basket page)	5	16.7%	4	13.3%
When booking a delivery slot (supermarkets)	3	10%	n/a	n/a
TOTAL	**30**	**100%**	**30**	**100%**

Larger retailers were much more likely to show the delivery charge on product pages – nearly 50% did so, compared with just 27% of retailers generally.

WHERE DID THE CUSTOMER FIRST SEE THE DELIVERY CHARGE?



Books was the only sector where all of the retailers had the same approach – as usual, in every sector was a different split in what retailers were doing. However, there were some clear trends:

- The Electrical goods sector was the clear leader when it came to showing the delivery charge on the product page – well over half of them did so.
- Books, on the other hand, was the sector where no retailer showed any delivery charges until the customer was well into the checkout process.
- In B2B, Gifts, and Health & Beauty, the retailers were more likely to show the delivery charge at the basket stage.

E. DID THE RETAILER OFFER ONLINE ORDER TRACKING?

Online order tracking	2009	2009 %	2008	2008 %	2007 %	2006 %	2005 %
Yes	115	83.9%	72	71.3%	66%	67%	59%
No	22	16.1%	29	28.7%	34%	33%	41%
TOTAL	**137**	**100%**	**101**	**100%**	**100%**	**100%**	**100%**

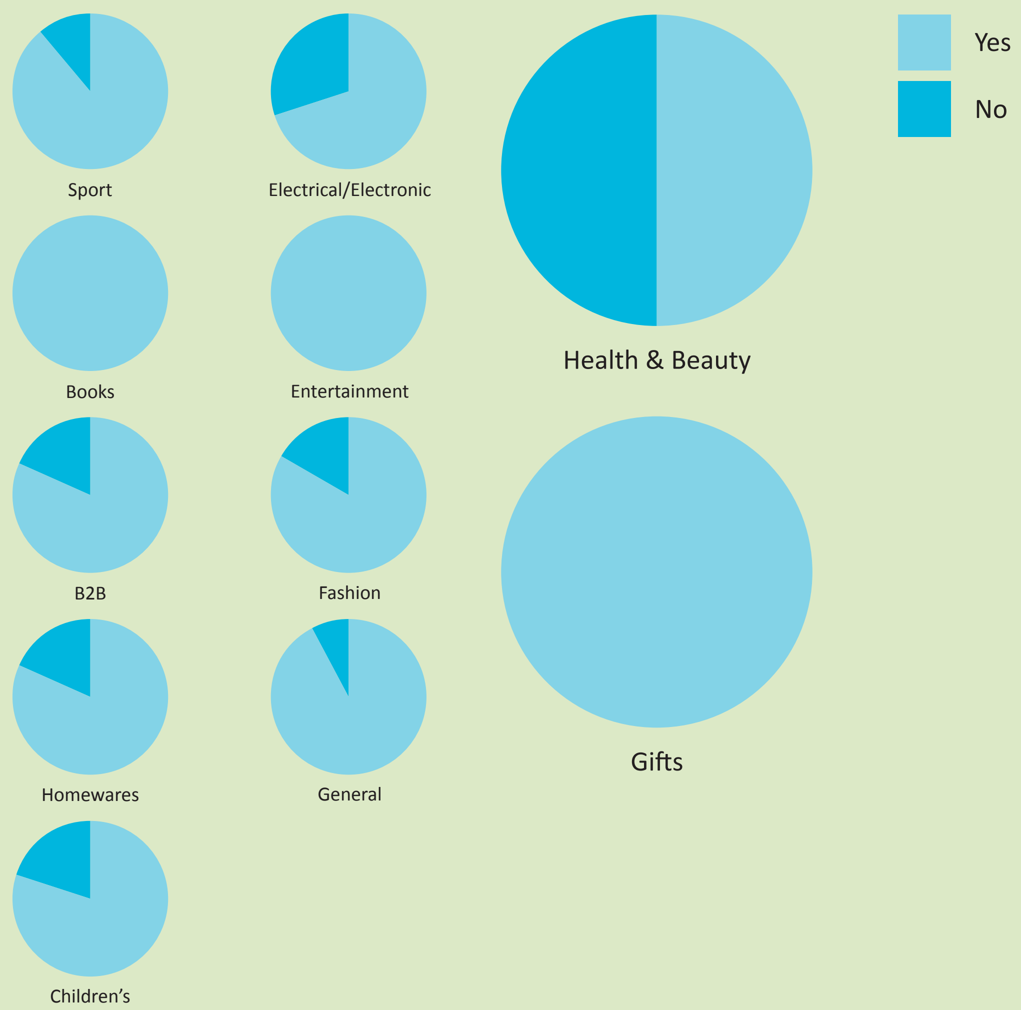
84% of the 137 retailers could offer online order tracking. This is an 18% increase on last year and a huge increase on 2005, when only 59% of retailers offered this service.

Retailers from the IMRG-Hitwise Hot Shops List

Online order tracking	2009	2009 %	2008	2008 %
Yes	23	85.2%	18	72%
No	4	14.8%	7	28%
TOTAL	**27**	**100%**	**25**	**100%**

The larger retailers remained true to the general picture – 15% didn't allow the customer to log-in and check the status of their orders.

DID THE RETAILER OFFER ONLINE ORDER TRACKING?



Health & Beauty was the sector least likely to have online order tracking – half of the retailers couldn't offer this. Every single retailer in the Books, Gifts and Entertainment sectors offered tracking.

F. WAS A SIGNATURE REQUIRED AND DID THE RETAILER MAKE THIS CLEAR ON THEIR SITE?

Signature required	2009	2009 %	2008	2008 %	2007 %
Yes, and made clear	40	29.2%	27	26.7%	20%
Yes, but not made clear	35	25.5%	28	27.7%	14%
No, but site said one was	14	10.2%	6	5.9%	n/a
No	48	35%	40	39.7%	66%
TOTAL	**137**	**100%**	**101**	**100%**	**100%**

For many customers, the issue of a signature is not all that significant – if the goods are being delivered to the workplace and someone there is willing and able to sign for it if necessary, then it doesn't really make much difference to whether the order is placed or not.

But many people cannot have goods delivered to their workplaces. And many people that want orders delivered to their homes have safe places where the goods can be left, as long as a signature is not needed. In this situation, it definitely matters to the customer whether the goods need to be signed for or not.

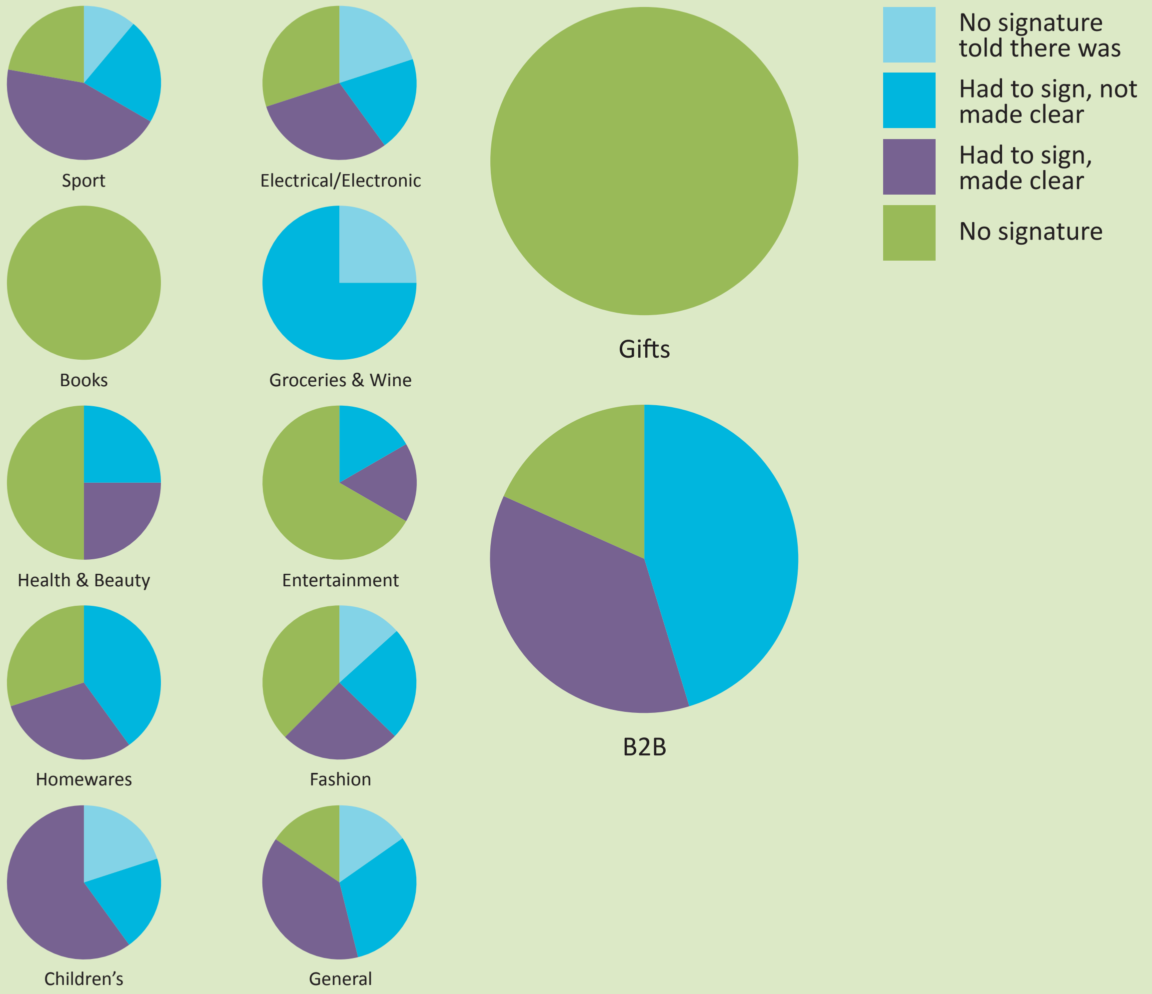
And so it was quite disappointing to see that 26% of our orders required a signature, but we were not told about this on the delivery information page.

Retailers from the IMRG-Hitwise Hot Shops List

Signature required	2009	2009 %	2008	2008 %
Yes, and made clear	10	37%	5	20%
Yes, but not made clear	6	22%	9	36
No, but site said one was	1	4%	2	8%
No	10	37%	9	36%
TOTAL	**27**	**100%**	**25**	**100%**

22% of the larger retailers failed to make it clear on the website that a signature would be needed on delivery.

WAS A SIGNATURE REQUIRED AND WAS THIS MADE CLEAR ON THE SITE?



None of the Book or Gift orders had to be signed for. But in every other sector there was at least one retailer that failed to warn us that a signature would be needed for our order.

Nearly half of the B2B retailers didn't tell us that an order would need a signature. However, these orders would most probably be going to a place of work manned by people all day.

G. WHAT E-MAILS DID THE CUSTOMER RECEIVE FROM THE RETAILER POST-PURCHASE?

Email received post-purchase	2009	2009 %
Registration	81	59%
Order confirmation	129	94%
Despatch confirmation	89	65%
Delivery confirmation	6	4%

We received at least one e-mail from 132 of the retailers – only 5 orders were not confirmed by e-mail at all. 94% sent an order confirmation e-mail, and 65% sent an e-mail to say that the goods had been despatched. We also received 6 e-mails confirming that the goods had actually been delivered.

Retailers from the IMRG-Hitwise Hot Shops List

Email received post-purchase	2009	2009 %
Registration	14	52%
Order confirmation	27	100%
Despatch confirmation	17	63%
Delivery confirmation	1	4%

The retailers from the Hitwise Top 50 reflected the general picture by and large, although it was good to see that 100% of the larger retailers sent an order confirmation e-mail.

H. DID THE RETAILER USE TEXT MESSAGE ALERTS DURING THE FULFILMENT PROCESS?

Text message	2009	2009 %	2008	2008 %
Yes	5	3.6%	4	4%
No	132	96.4%	97	96%
TOTAL	**137**	**100%**	**101**	**100%**

Last year, so many retailers and carriers questioned us on this section, claiming our figures were too low, that we started to wonder if we had made a mistake. But no – only 5 retailers sent us a text message during the order process, with no increase since last year. Most of the texts told us that our goods were due to be delivered that day or the next day.

Retailers from the IMRG-Hitwise Hot Shops List

Text message	2009	2009 %
Yes	2	7%
No	25	93%
TOTAL	**27**	**100%**

The larger retailers were very slightly more likely to send text messages.

Text message alerts by sector

Sector	Yes	No
B2B	0	11
Books	0	3
Electrical/Electronic	1	9
Entertainment	0	6
Fashion	2	63
General	0	15
Gifts	0	8
Grocery & wine	0	7
Health & beauty	0	11
Homeware	0	14
Children’s	1	4
Sport	1	10

No sector had the monopoly on text messaging – at least one retailer in the Electronic, Fashion, Children’s, and Sport sectors used it.

5. DELIVERY PERFORMANCE

46% of orders arrived either on the agreed date or within 2 working days

91% of orders arrived within the promised timeframes

OVERVIEW

Finally, we turn our attention to performance and how long it took for the 137 orders to be delivered to our door.

46% of the orders arrived either on the agreed date or within 2 working days, which was a big improvement on last year and very good to see.

We were particularly impressed by Argos and Debenhams, both of whom managed to deliver next-day on their standard service – even though all of our orders were placed at weekends or after 6pm on weekdays, both of those orders were with us at the very first opportunity.

91% managed to deliver within their given timeframes.

A. WHEN DID THE ORDER ARRIVE?

Order arrived	2009	2009 %	2008	2008 %
On agreed day	3	2.2%	3	2.8%
Earlier than agreed day	2	1.5%	0	0%
Next day	2	1%	6	5.6%
2 working days	56	40.9%	23	21.4%
3 working days	31	22.6%	31	29%
4 working days	23	16.8%	21	19.6%
5 working days	9	6.6%	8	7.5%
6 working days	0	0%	2	1.9%
7 working days	4	2.9%	2	1.9%
8 working days	3	2.2%	3	2.8%
9 working days	2	1.5%	0	0%
More than 10 working days	2	1.5%	2	1.9%
Goods did not arrive	0*	0%	6	5.6%
TOTAL	**137**	**100%**	**107**	**100%**

On the positive front, 46% of the orders arrived on the agreed date or within 2 working days. This was a big increase on last year, when only 30% achieved that speed of service.

Next-day deliveries were particularly impressive. All of our orders were placed after 6pm on weekdays or at weekends. Yet two retailers managed to deliver the order, using their standard delivery service, on the next working day – Debenhams and Argos.

This was especially pleasing, because Royal Mail strike action had been taking place in London throughout the month of September. Some orders suffered – we know, for example, that Marks & Spencer despatched our order on 19 September but it took 9 days to reach us. It's possible that this industrial action is responsible for 15% of the orders taking 5 working days to reach us, however 16% took that long last year and so it raise questions as to whether these retailers should actually work harder to increase speed of service.

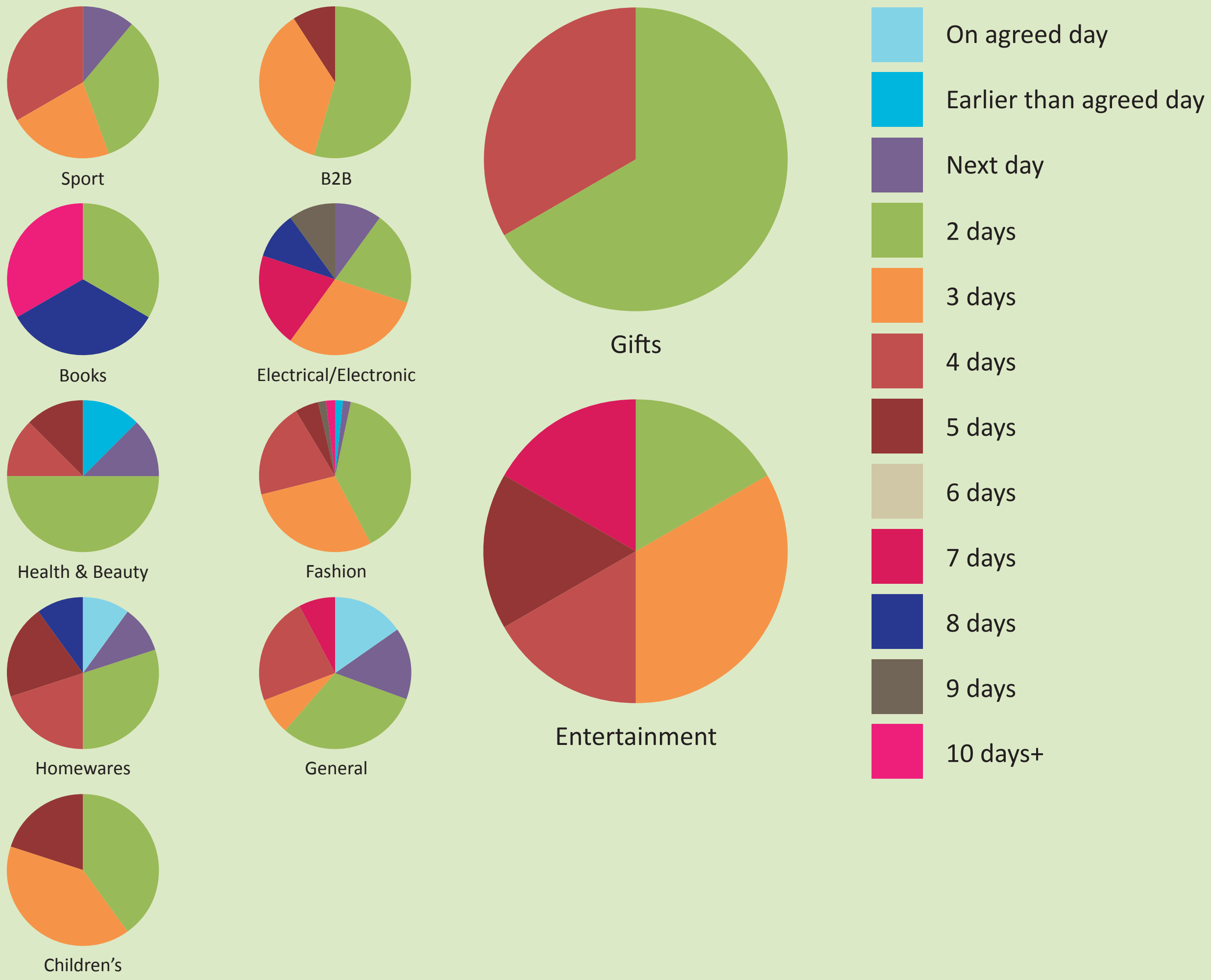
* 2 orders were cancelled by the retailer due to lack of stock, but no orders that we had paid for failed to arrive.

Retailers from the IMRG-Hitwise Hot Shops List

Order arrived	2009	2009 %	2008	2008 %
On agreed day	2	7.4%	2	8%
Earlier than agreed day	2	7.4%	0	0%
Next day	2	7.4%	5	20%
2 working days	9	33.3%	8	32%
3 working days	3	11.1%	3	12%
4 working days	4	14.8%	4	16%
5 working days	1	3.7%	1	4%
7 working days	2	7.4%	0	0%
8 working days	1	3.7%	1	4%
More than 10 working days	1	3.7%	1	4%
TOTAL	**27**	**100%**	**25**	**100%**

The larger retailers were not faster – 18.5% took 5 days or longer.

WHEN DID THE ORDER ARRIVE?



Most sectors included a variety of different delivery times, but 2 days was the most popular timeframe for B2B, Fashion, General, Gifts, Health & Beauty, and Homewares. Electronic, Childrens and Sport tended to take 3 days.

B. DID THE DELIVERY ARRIVE WITHIN THE GIVEN TIMEFRAME?

Order arrived	2009	2009 %	2008	2008 %
Within given timeframe	114	83.2%	71	80%
Timeframe wasn't given	11	8%	14	13%
No, goods were 1 day late	6	4.4%	11	3.1%
No, goods were 2 day late	3	2.2%	1	1.3%
No, goods were 4 day late	1	0.7%	1	n/a
No, goods were 5 day late	1	0.7%	1	n/a
No, goods were 6 day late	1	0.7%	1	n/a
No, goods were 7 day late	0	0%	1	n/a
No, goods were 16 day late	0	0%	n/a	1.3%
Goods did not arrive	0	0%	6	1.3%
TOTAL	**137**	**100%**	**107**	**100%**

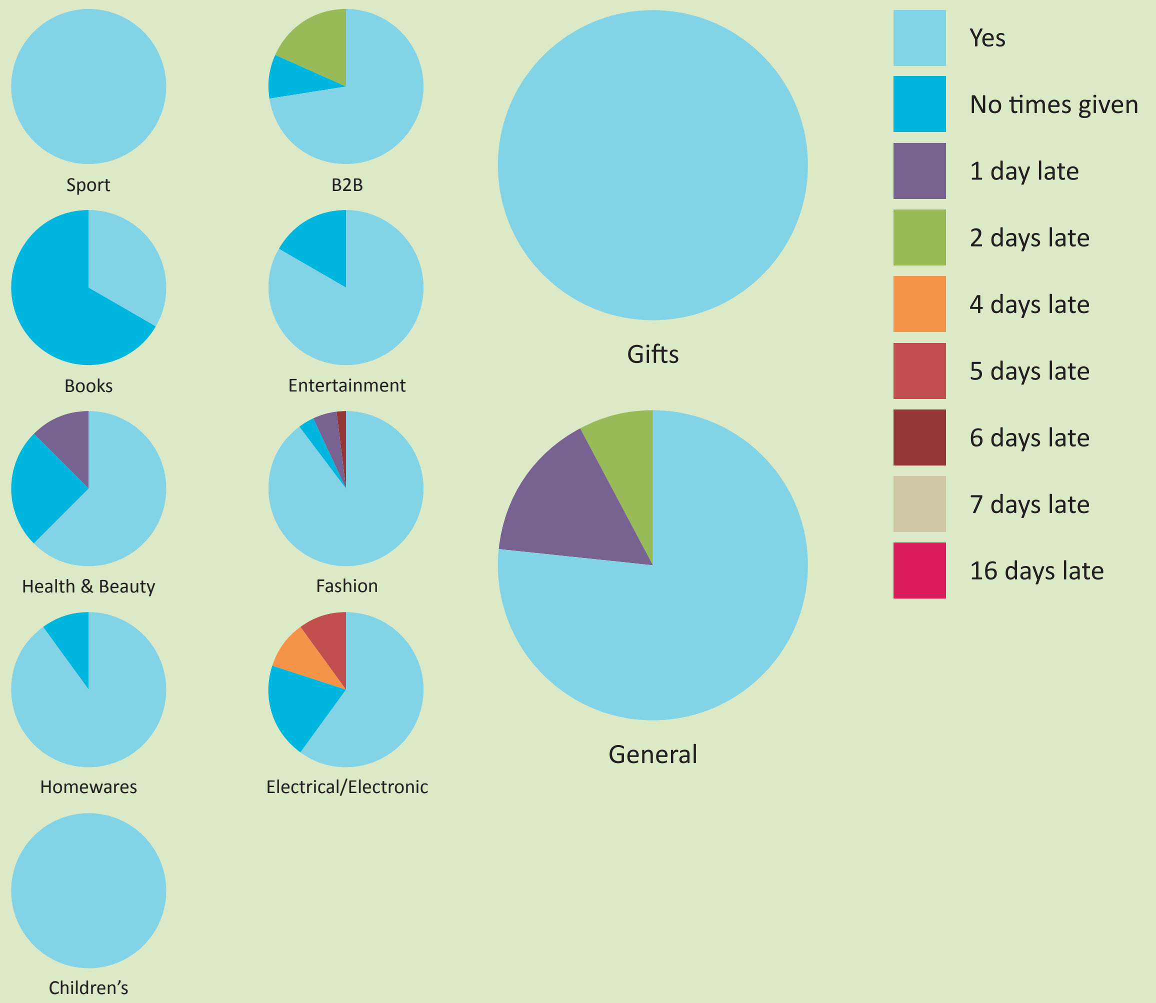
Most of the retailers gave an estimated delivery time on their delivery information page – most popular was 3-5 days. Of the retailers that gave us a timeframe, 91% delivered within it, and another 5% were only one day late.

Retailers from the IMRG-Hitwise Hot Shops List

Order arrived	2009	2009 %	2008	2008 %
Within given timeframe	22	81.5%	20	80%
Timeframe wasn't given	2	7.4%	2	8%
No, goods were 1 day late	1	3.7%	0	0%
No, goods were 4 day late	1	3.7%	1	4%
No, goods were 5 day late	0	0%	1	4%
No, goods were 6 day late	1	3.7%	1	4%
TOTAL	**27**	**100%**	**25**	**100%**

88% of the larger retailers that gave us an expected delivery time managed to deliver within it.

DID THE ORDER ARRIVE WITHIN THE TIMEFRAME?



Every retailer in the Gifts, Children, and Sports sectors delivered on time. General and Electronics were most likely to be late.

FOR MORE INFORMATION

If you would like to know more about the Online Retail Delivery Report, please contact Sarah Clelland.

020 7813 9520

sarah.clelland@snowvalley.com

To find out more about Snow Valley's e-commerce services, please visit www.snowvalley.com