frontier economics

Commission for Communications Regulation

Study into e-commerce parcel delivery in Ireland – Consumers

Quantitative report

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J.202381

B&A RESEARCH & INSIGHT

Consumer Parcel Study

1. Receiving parcels

2. Awareness and Usage of delivery providers

3. Websites purchased from

4. Delivery preferences & satisfaction with delivery charges

5. Domestic vs international delivery & issues with delivery

6. Returning parcels/ packages

6. Summary of key findings

Research Methodology

The purpose of this research project was to update the information available to ComReg on ecommerce parcel delivery in Ireland.

Quantitative methodology:

- Nationally representative online sample 1,564 Irish consumers
- Booster sample of 84 consumers aged 13-17 year olds
- Quota controlled in terms of gender, age, region & social class.

Quantitative fieldwork was conducted from the 6th – 20th January 2021.

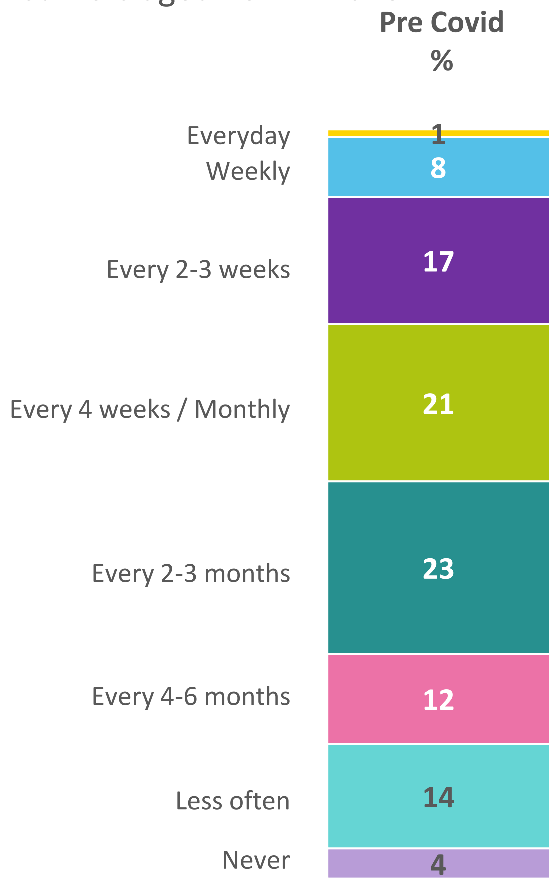
Summary of key findings

1.	2.	3.	4.	5.	6.	7.
The incidence of consumers purchasing items online that require delivery on a weekly+ basis has doubled since Covid-19, in addition 2 in 3 consumers now claim to be receiving parcels on a monthly+ bases, versus half pre Covid-19.	Half of consumers claim to have increased their frequency of purchasing items online that require delivery at an overall level, with 1 in 5 expecting their level of online purchasing to increase further (with little variation across demographics).	Delivery to the home is the clear preference for consumers. A range of other locations are used by consumers on occasion however, with workplace and parcel locker/parcel motel over indexing amongst those working full time.	The overall cost of the item including delivery and free delivery options are the main aspects reviewed before purchasing items that require delivery, followed by delivery speed.	Based on last 10 deliveries, 3 in 5 online purchases were international, with 40% emerging from the UK alone.	The vast majority of online purchasers are satisfied with the delivery service provided by the company who made the most recent delivery to them. Amongst those who were dissatisfied/neither nor, the main reason given for dissatisfaction was due to inaccurate/slow/late delivery.	70% of online purchasers have ever returned an item (higher amongst high purchasing group), however return frequency is low with the average number of items being returned by those who do return items being 1 item per month on average. High levels of satisfaction reported with returning parcels in terms of price and at overall level. However, free returns and more convenient returns are the main aspects consumers would like delivery companies to do differently in the future to aid them in returning items to online retailers.

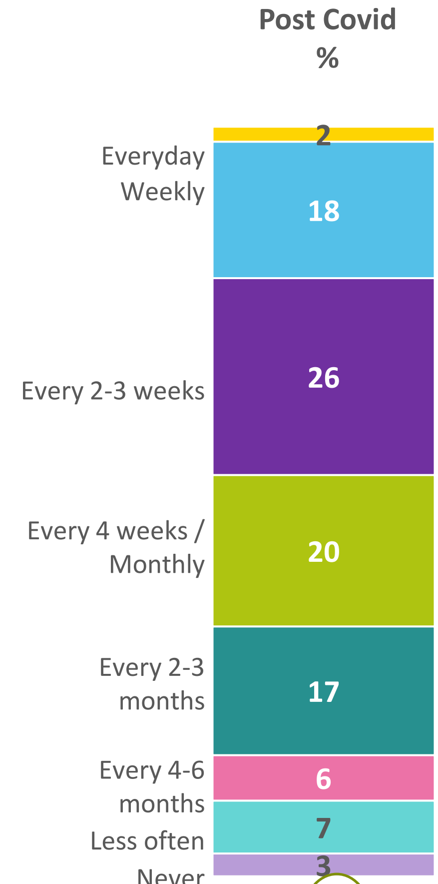
Receiving parcels

Frequency of purchasing items online that require delivery; pre and post covid

Base: All consumers aged 13+ n- 1648



Weekly+	9
Monthly+	47
Ever	96



Weekly+	20
Monthly+	66
Ever	97

Weekly+ receipt of parcels has doubled

The incidence of consumers purchasing items online that require delivery on a weekly+ basis has doubled since Covid-19, in addition 2 in 3 consumers now claim to be receiving parcels on a monthly+ bases, versus half pre Covid-19. Just 3% of consumers do not currently purchase online, the main reason being that they prefer to shop instore/like to touch/feel products (note results may be affected by online methodology).

Q.1a Currently how frequently do you purchase items online that require delivery e.g. clothing, electronics etc?
Q.1b And before the Covid-19 pandemic, how frequently did you purchase items online that required delivery e.g. clothing, electronics etc?
Q.2b Why do you not purchase items online that require delivery?

Profile of those purchasing items online that require delivery on a weekly+ basis

Base: All consumers aged 13+ n- 1648

Pre Covid weekly+ receiver of parcels

- **25-34 yrs**
- **Working - Full Time (30+ hours per week)**

Post Covid weekly+ receiver of parcels

- **18-49 yrs**
- **ABC1F**
- **Working - Full Time (30+ hours per week)**

The profile of those purchasing items online that require delivery on a weekly+ basis has expanded across both ends of the age spectrum since the Covid-19 pandemic and is now more middle class.

Q.1a Currently how frequently do you purchase items online that require delivery e.g. clothing, electronics etc?
Q.1b And before the Covid-19 pandemic, how frequently did you purchase items online that required delivery e.g. clothing, electronics etc?

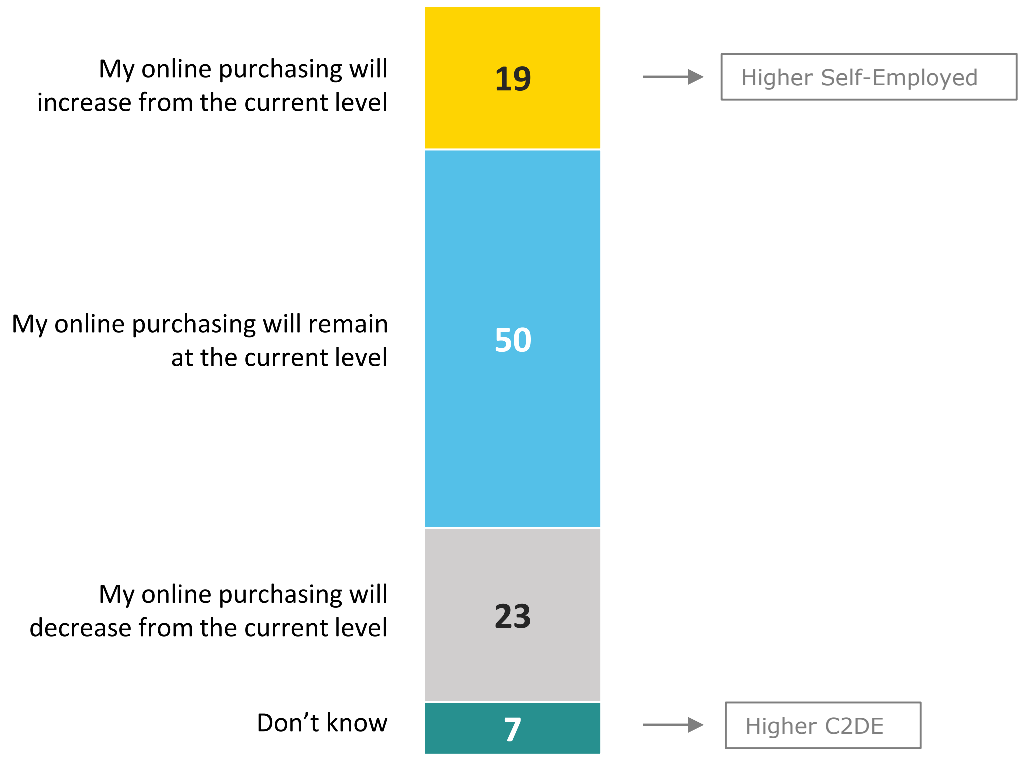
Expectation for online purchasing post covid-19

Base: All consumers aged 13+ n- 1648

53% of consumers claim they have increased their frequency of purchasing items online that require delivery

Higher amongst 18-24 YRS, Dublin based & ABC1

Perception of future online purchases (all who's online purchases increased since Covid n – 878) %

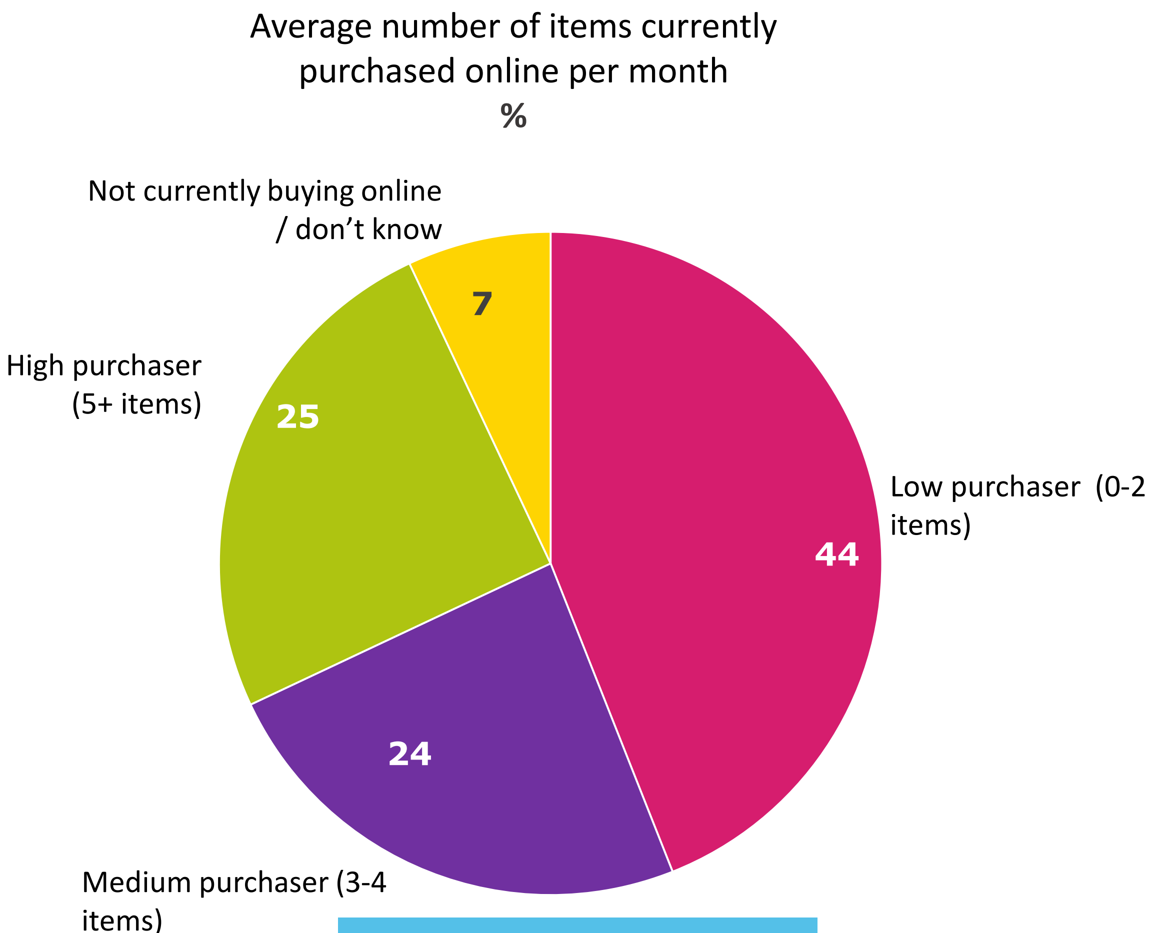


Half of consumers claim to have increased their frequency of purchasing items online that require delivery at an overall level, with 1 in 5 expecting their level of online purchasing to increase further (with little variation across demographics).

Q.2a Do you expect this to continue or return to pre Covid-19 levels in the next 12 months?

Online purchaser segmentation

Base: All consumers aged 13+ n- 1648



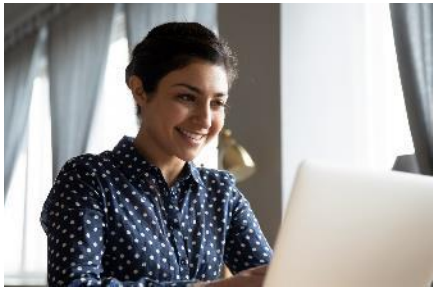
Mean	4

The average number of items purchased online on a monthly basis is 4. 2 in 5 consumers can be classified as low purchasers, while 1 in 4 fall into the medium purchaser category and a similar number can be classified as high purchasers.

Q.3a/Q.3b How many items do you purchase online MONTHLY TOTAL

Profile of high, med, low and non online purchasers

Base: All consumers aged 13+ n- 1648

High purchaser (25%)	Medium purchaser (24%)	Low purchaser (44%)	Not currently buying online (3%)
			
• **25-49 yrs** • **ABC1F** • **Working - Full Time (30+ hours per week)**	• **18-24 yrs** • **ABC1F** • **Working part-time**	• **13-17 / 65+** • **Rural** • **C2DE** • **Retired**	• **65+** • **Retired** • **C2DE**

Demographic variations evident across purchaser groups, with high online purchasers being more middle class and working, while low and not currently purchasing online groups over index amongst the older, retired, C2DE cohorts.

*Bold = significantly higher
4% don't know

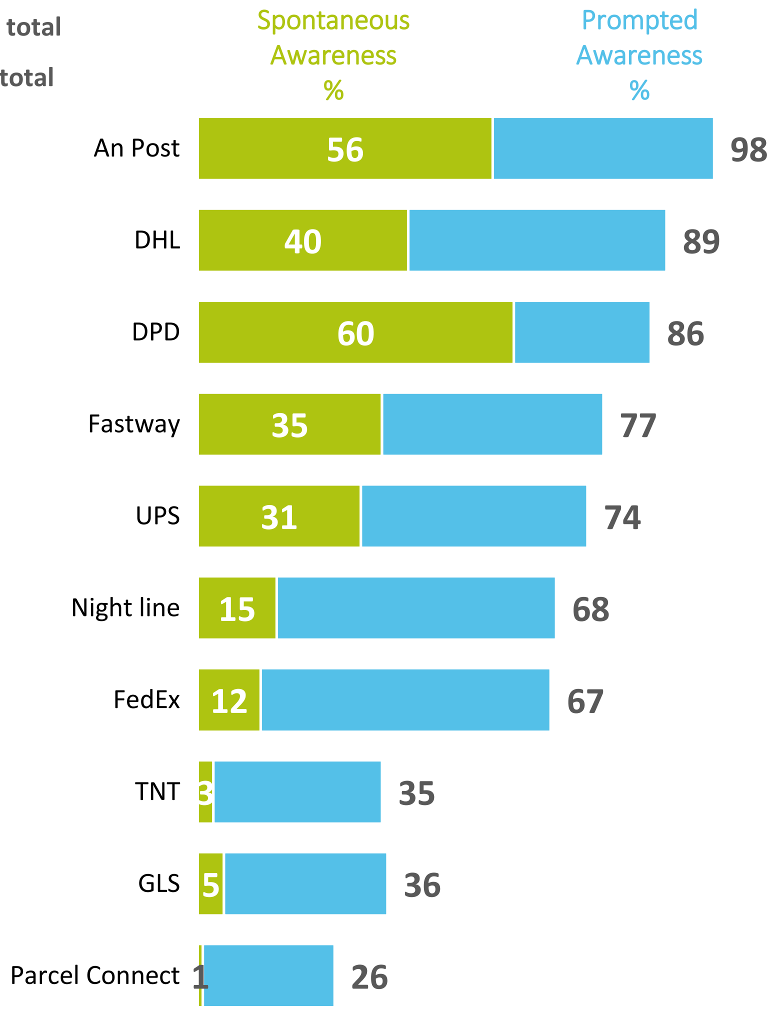
Awareness and Usage of delivery providers

Awareness of parcel delivery service provides

Base: All consumers aged 13+ n-1648

Statistically higher than total

Statistically lower than total



	Low (0-2)	Medium (3-4)	High (5+)	Never buy online
	689	*405*	*444*	*46*
	%	*%*	*%*	*%*
An Post	98	99	98	87
DHL	89	91	92	64
DPD	85	90	89	57
Fastway	75	81	82	33
UPS	73	77	77	48
Night line	64	73	72	36
FedEx	67	72	63	55
TNT	31	37	45	12
GLS	36	37	34	17
Parcel Connect	21	28	35	6

Brand Awareness separates clearly into four tiers with the first tier comprising An Post, DHL and DPD, each having awareness over 80%. DPD has the strongest spontaneous awareness. Awareness is dominated by the high and medium online purchaser groups.

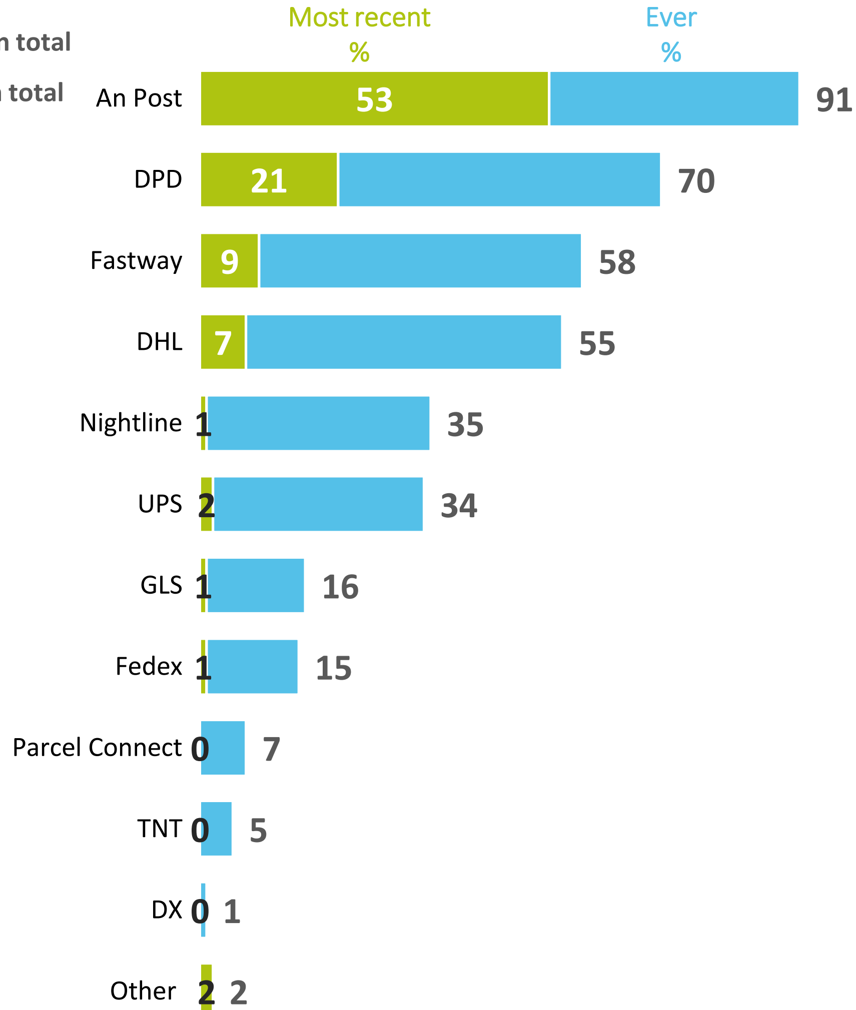
Q.12a What packet and parcel delivery service providers that deliver online purchases are you aware of?
Q.12b Which of the following packet and parcel delivery service providers were you aware of before today?
Q.12abcd What packet and parcel delivery service providers that deliver online purchases are you aware of? TOTAL

Use of parcel delivery providers

Base: All consumers aged 13+ n- 1648

Statistically higher than total

Statistically lower than total

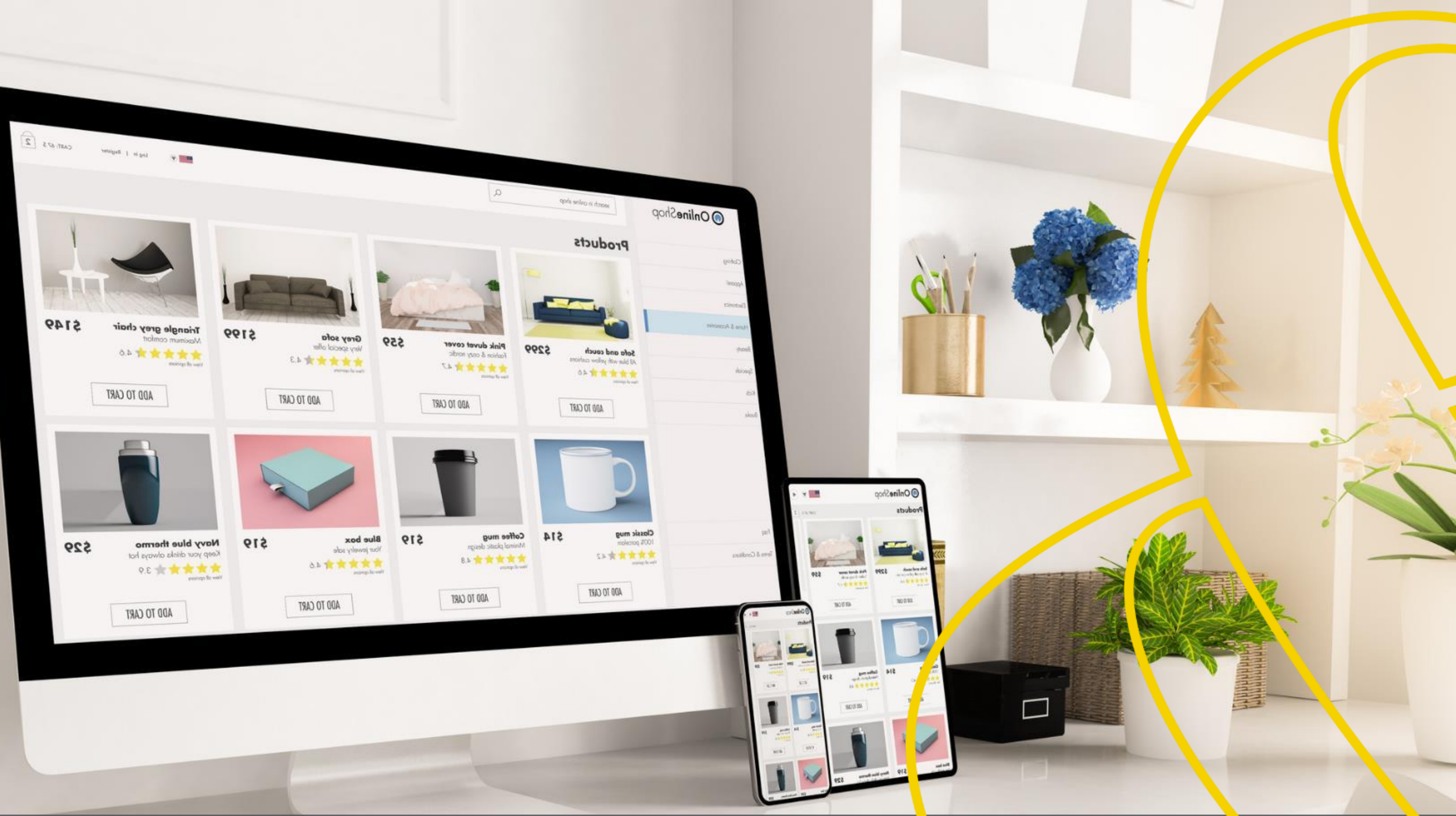


	Low(0-2)	Medium (3-4)	High(5+)	Never buy online
	689	405	444	46
	%	%	%	%
An Post	91	96	92	46
DPD	65	76	79	18
Fastway	52	64	67	7
DHL	47	60	72	12
Nightline	27	40	45	3
UPS	28	39	42	6
GLS	11	16	25	2
Fedex	12	17	21	3
Parcel Connect	4	8	12	-
TNT	4	7	6	-
DX	1	1	1	-
Other	1	1	2	16

The top three in terms of awareness also top the bill on usage but are now accompanied by Fastway. An Post has the strongest most recent usage by some margin. As with awareness usage of parcel delivery providers is dominated by the medium and high purchasing group.

Q.12c Which of the following packet and parcel delivery service providers have ever delivered an online purchase to you?

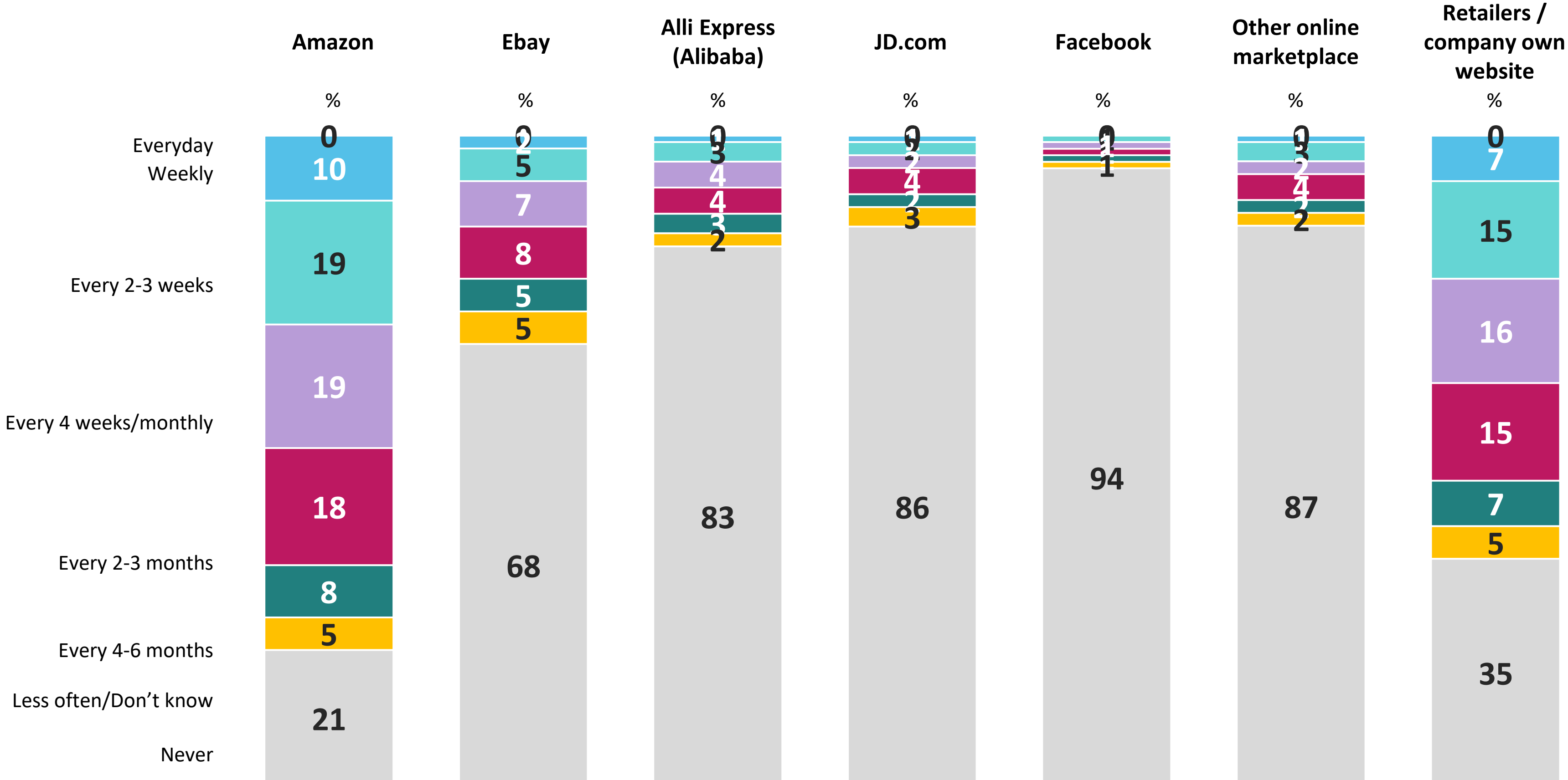
Q.12d And which of the following packet and parcel delivery service providers delivered an online purchase to you most recently?



Websites purchased from

Websites used to purchase items online that require delivery; past year

Base: All online purchasers n - 1613



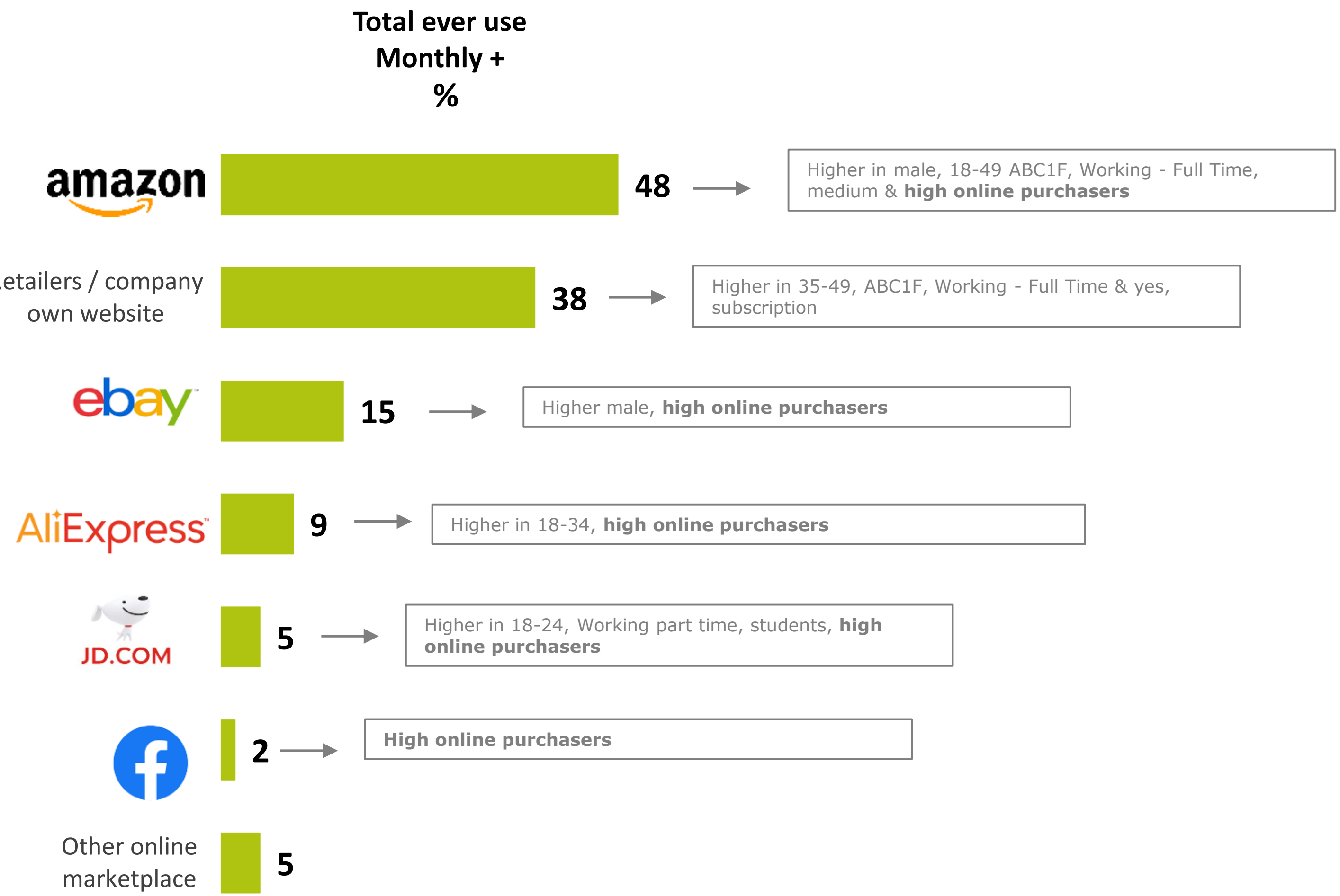
	Amazon	Ebay	Alli Express (Alibaba)	JD.com	Facebook	Other online marketplace	Retailers / company own website
Monthly+	48	15	9	5	2	5	38
Weekly+	10	3	1	1	0	1	8
Ever	79	32	17	14	6	13	65

Amazon and retailer's own website dominate in terms of websites used to purchase items online amongst those tested.

Q.4b And how frequently do you ever purchase items that require delivery from each of these websites?

Websites used to purchase items online that require delivery; monthly+ usage x demographics

Base: All online purchasers n - 1613

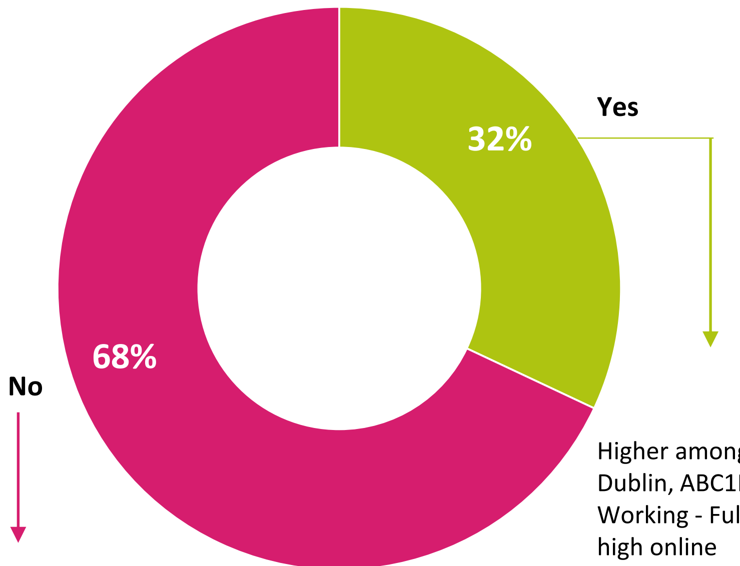


Monthly usage of the websites tested is dominated by the high online purchasing group.

Q.4b And how frequently do you ever purchase items that require delivery from each of these websites?

Use of subscription services

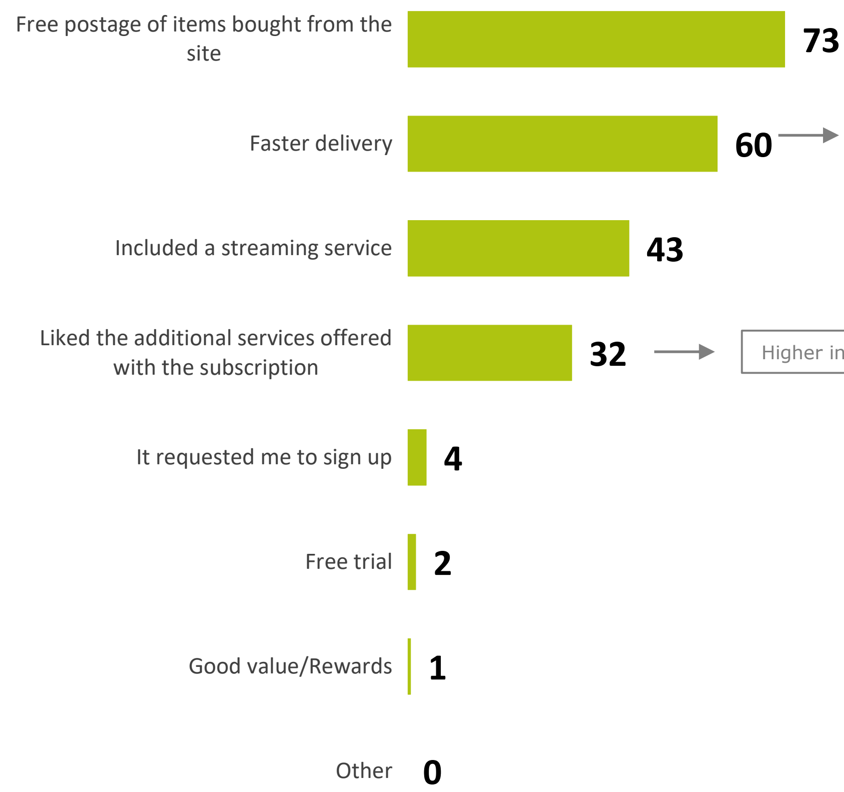
Base: All online purchasers n - 1613



Higher among 18-34, Dublin, ABC1F, Working - Full Time, high online purchasers

Higher among 13-17, 65+, Rural, C2DE, Unemployed, Home Duties, Retired, low online purchasers

Rationale for signing up to subscription service (all signed up for subscription service n – 536)
%



Higher Working - Part Time, high online purchasers

Higher in unemployed

1 in 3 online purchasers claim to have signed up to a subscription service, higher amongst the 18-34 age group and the high online purchasing group. The main reason given for signing up is due to free postage. Faster delivery over indexes amongst the high purchasing group.

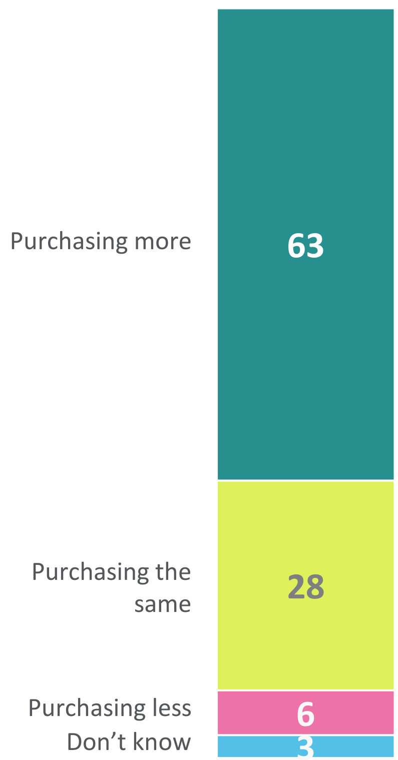
Q4d Are you currently a member of any delivery subscription service, such as Amazon Prime or a retailer's/company's own delivery subscription service?
Q.4e Why did you sign up to this subscription service?

Changes in parcel demand; past 3 years

Base: All online purchasers n - 1613

Change in Online purchases last 3 years

%

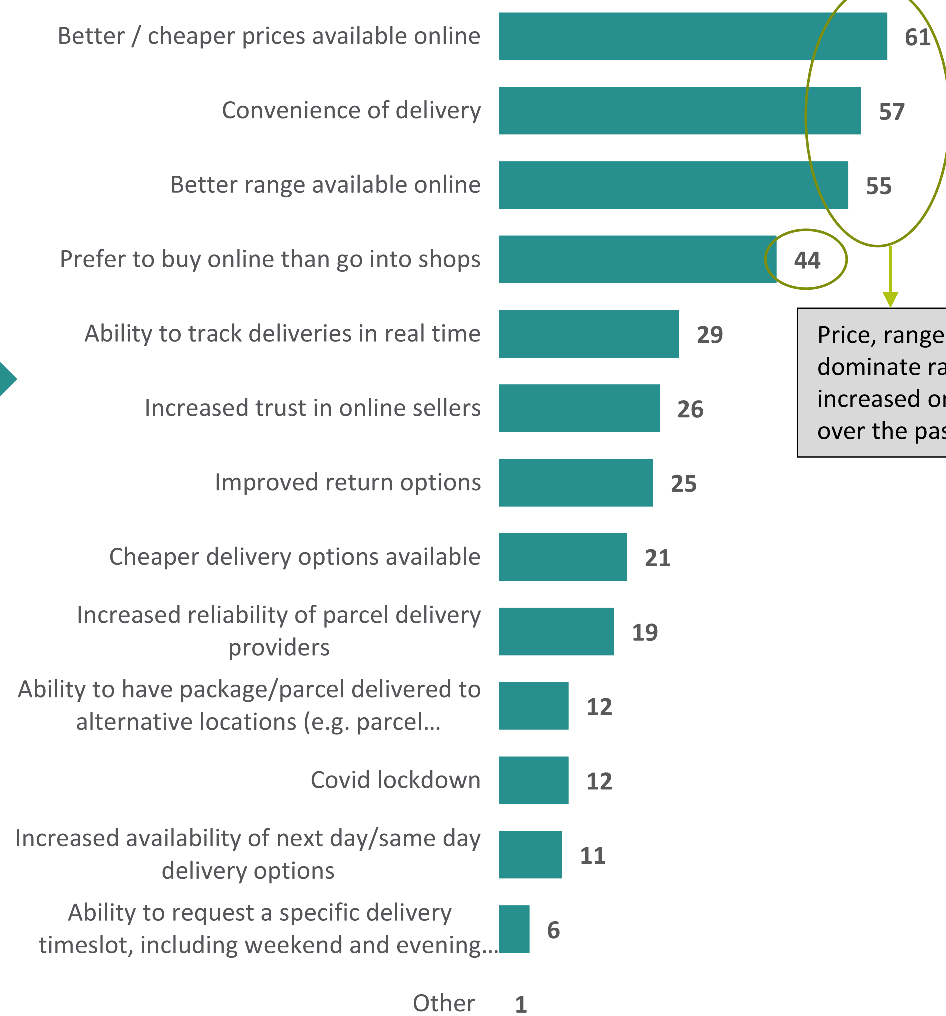


Higher Dublin, medium & high online purchasers

Higher Male

Main drivers for increased online purchase (all who's online purchase has increased n 1,006)

%



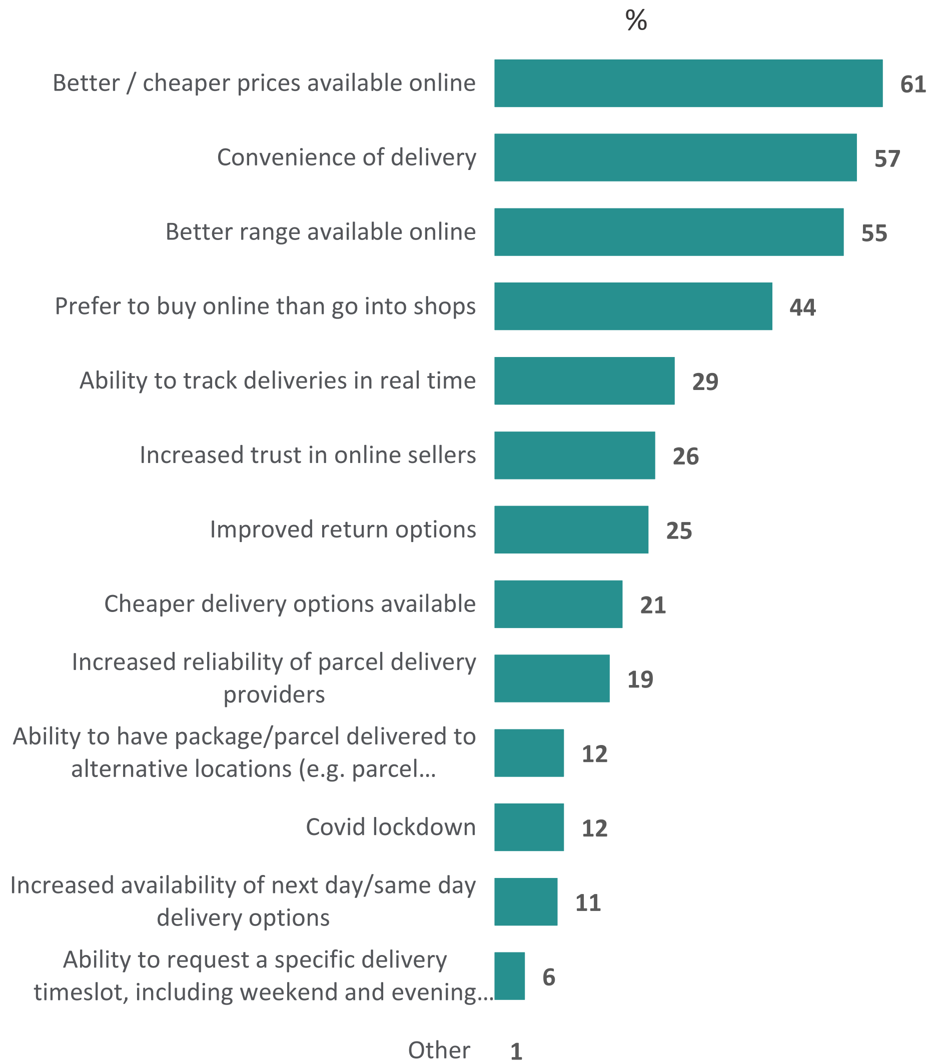
Price, range and delivery dominate rational for increased online purchase over the past 3 years.

Almost 2 in 3 consumers claim to be purchasing more online over the past 3 years, with the main rationale being better prices, range and convenience of delivery. Over 40% claim they prefer to buy online than go into a shop.

Q.9a Again thinking about online purchases that require delivery, are you purchasing more, less or about the same compared to this time three years ago?
Q.9b What have been the main drivers in your increased online purchase of items that require delivery over the last 3 years?

Main drivers for increased online purchase x demographics

Base: All who's online purchase has increased n 1,006



Low(0-2)	Medium (3-4)	High(5+)
374 %	281 %	310 %
60	64	60
54	57	61
54	54	58
35	44	55
27	28	32
27	21	31
21	25	30
15	25	25
15	21	23
7	13	15
13	13	8
6	11	16
3	5	9
0	1	-
0	2	1

Statistically higher than total

Statistically lower than total

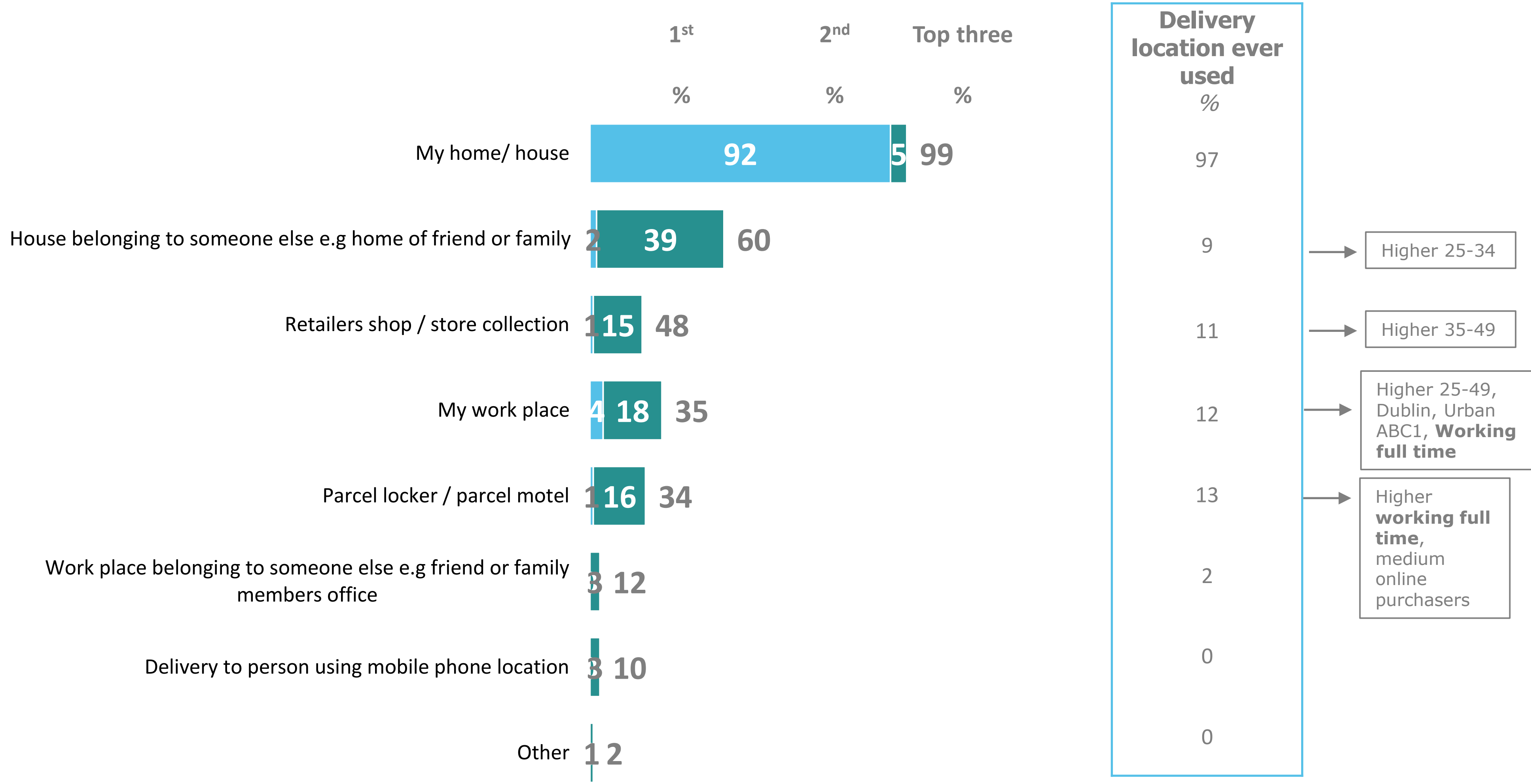
High online purchasers over index on preference of purchase online vs going to shop and also increase availably of next day/same day delivery options.

Q.9a Again thinking about online purchases that require delivery, are you purchasing more, less or about the same compared to this time three years ago?
Q.9b What have been the main drivers in your increased online purchase of items that require delivery over the last 3 years?

Delivery preferences & satisfaction with delivery charges

Delivery location preference & ever usage

Base: All online purchasers n - 1613

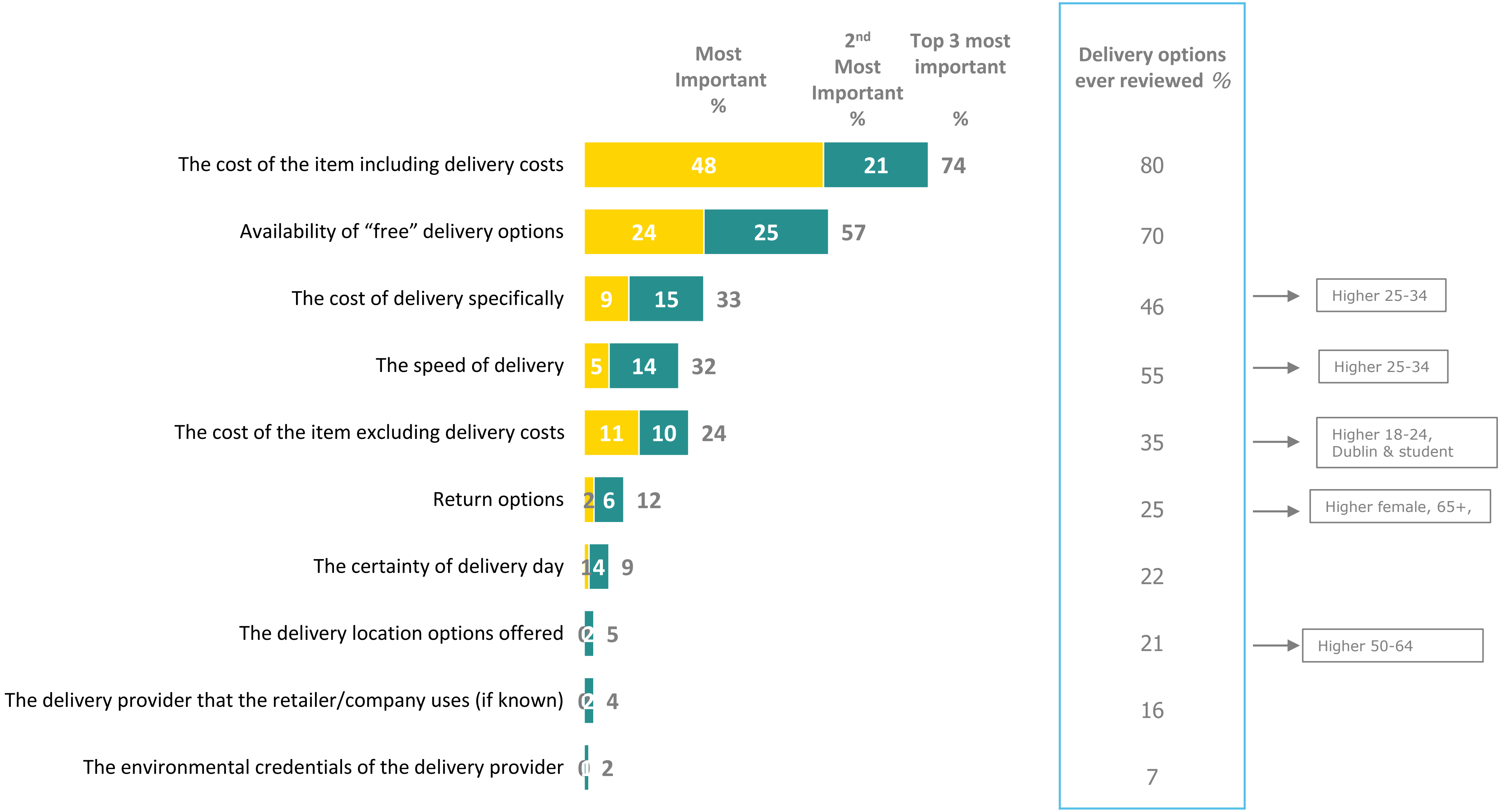


Delivery to the home is the clear preference for consumers. A range of other locations are used by consumers on occasion however, with workplace and parcel locker/parcel motel over indexing amongst those working full time.

Q.5a When purchasing items online that require delivery, which of the following locations do you ever get items delivered to?
Q.5b Now please rank each of these delivery locations in terms of preference

Delivery options reviewed

Base: All online purchasers n - 1613

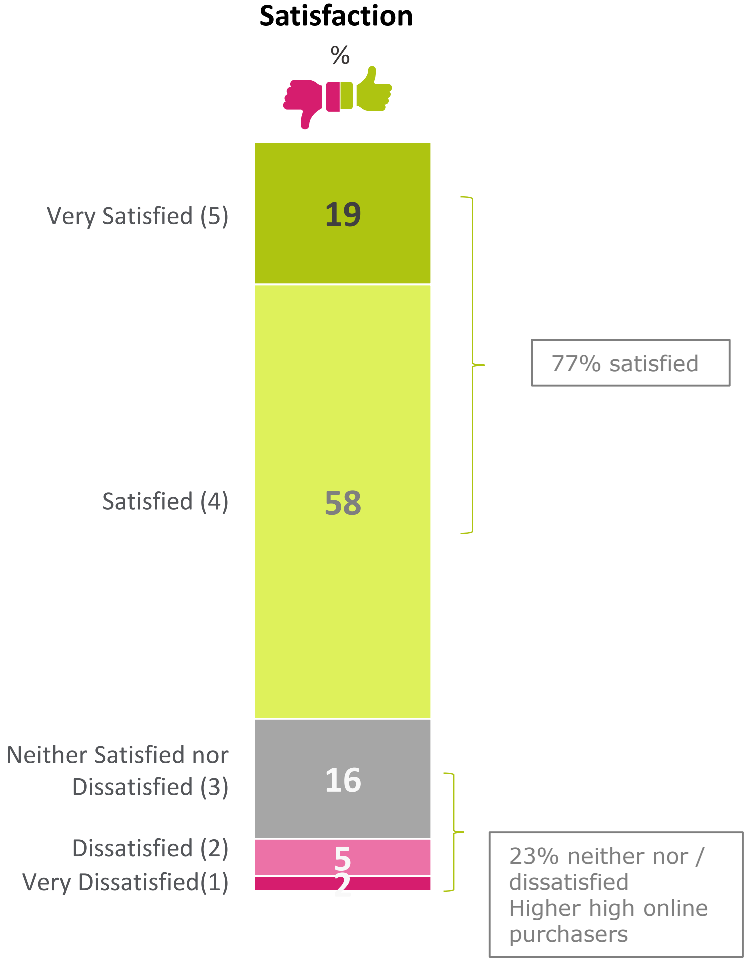


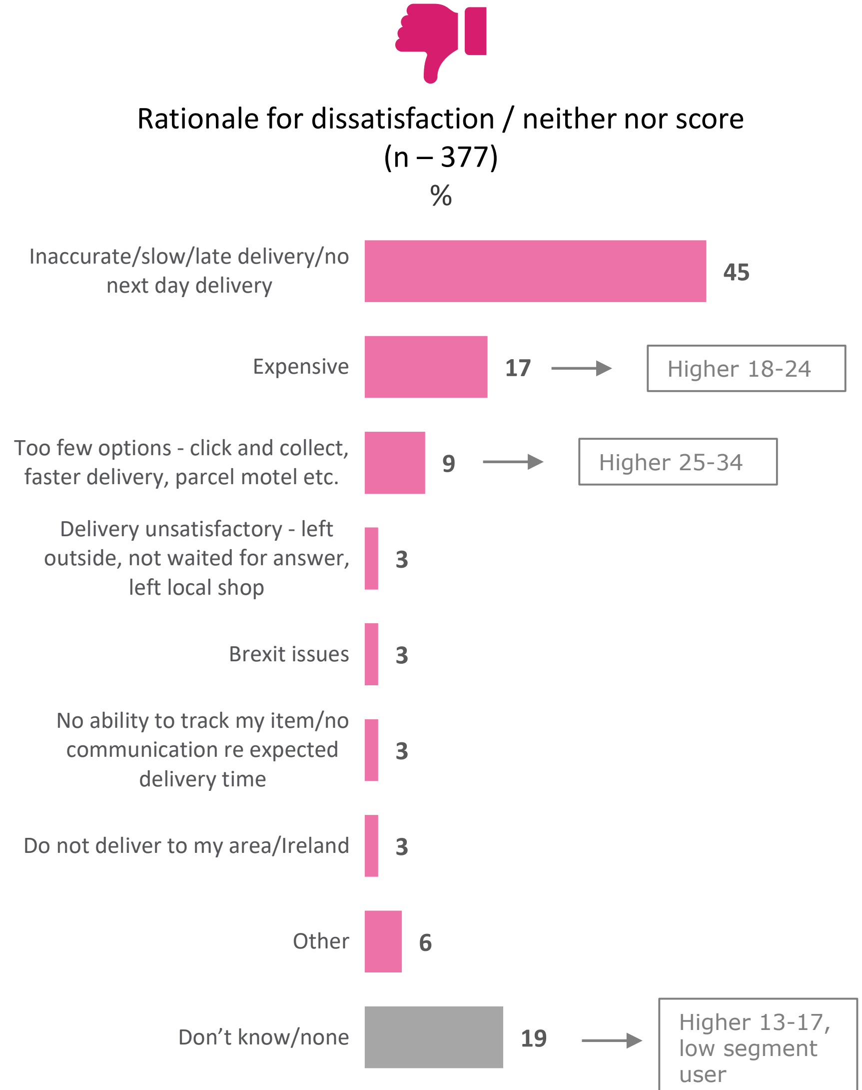
The overall cost of the item including delivery and free delivery options are the main aspects reviewed before purchasing items that require delivery, followed by delivery speed.

Q.6a When purchasing items online that require delivery, which of the following do you review before purchasing?
Q.6b Now please rank how important each of these are to you when purchasing items online that require delivery

Satisfaction with delivery options available at time of online purchase

Base: All online purchasers n - 1613





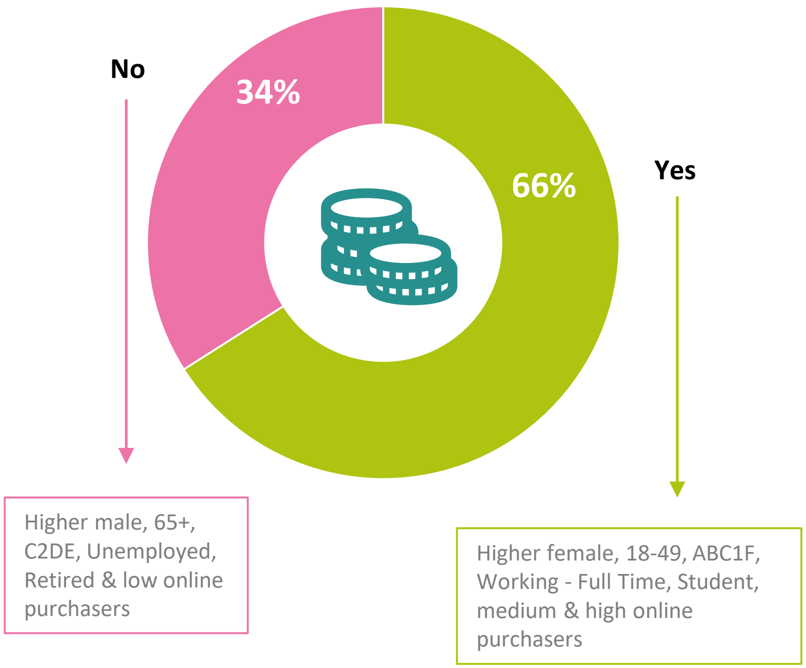
The majority of online purchasers are satisfied with the delivery options available, however 1 in 4 fall into the neither nor and dissatisfied category, which over indexes amongst high online purchasers. The main rationale given for dissatisfaction is inaccurate/slow/late delivery.

Q.7a Thinking of the delivery options available to you at time of online purchase i.e next day delivery
Q.7b Why are you dissatisfied with the delivery options available? Please give as much detail as possible.

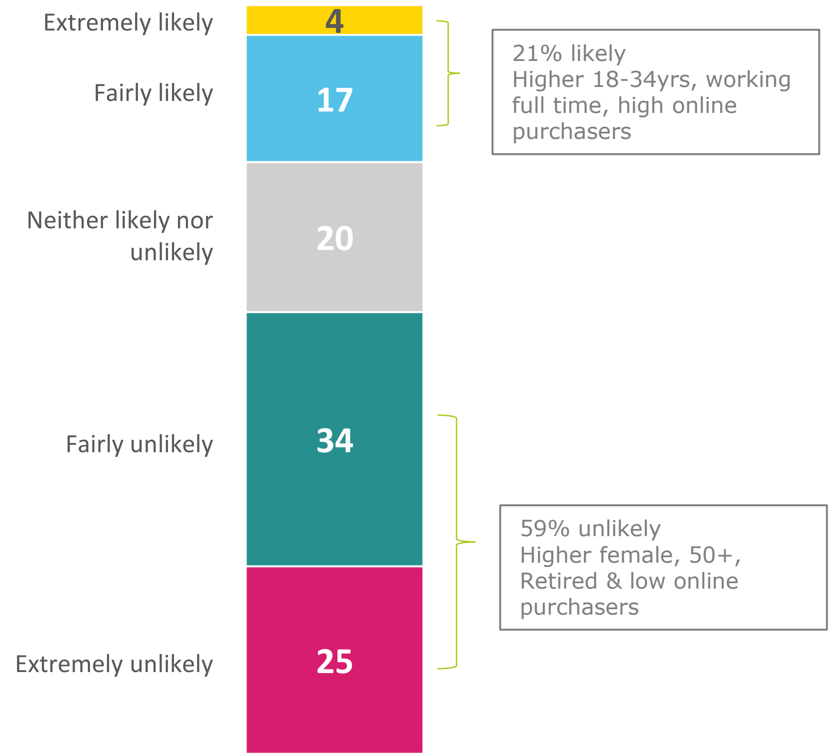
Delivery charges

Base: All online purchasers n - 1613

Incidence of having abandoned online order due to high delivery cost
%



Likelihood to pay an additional fee for same day / next day delivery
%



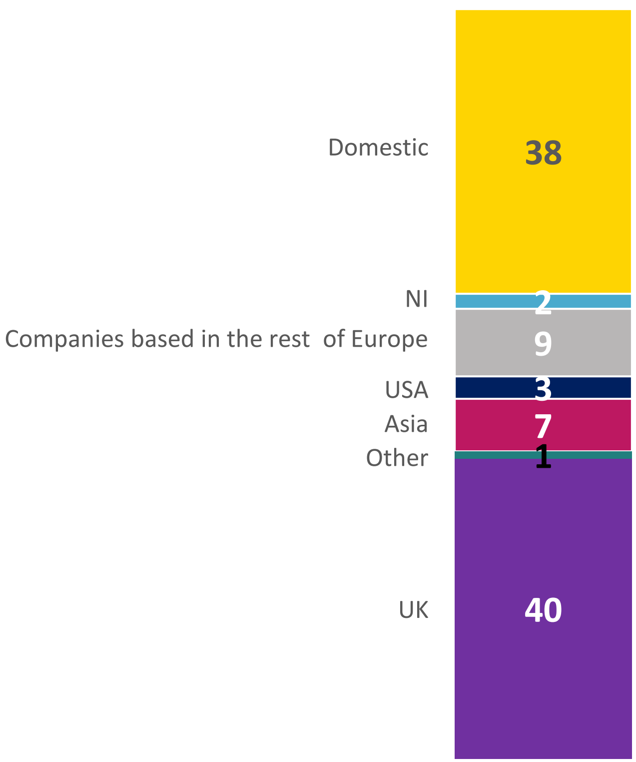
2 in 3 online purchasers have abandoned a purchase due to high delivery costs, rising to over 70% amongst medium and high online purchasers. 1 in 5 claim they are likely to pay more for same/next day delivery however; over indexing amongst the high purchasing group.

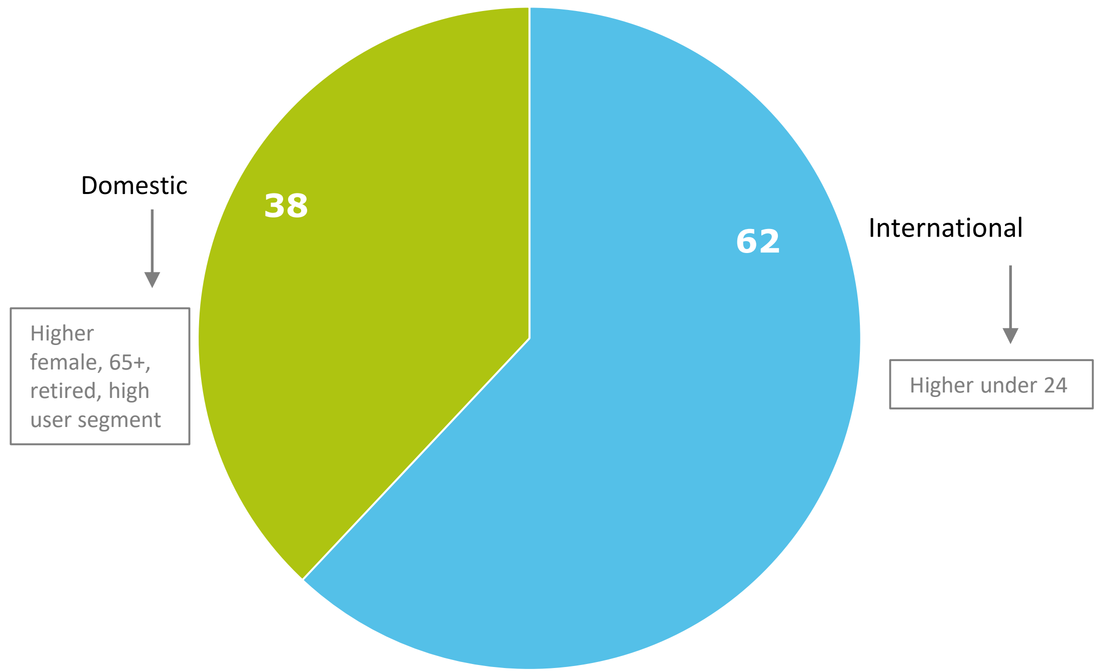
Q.7c Over past 12 months, have you abandoned an online order due to a high delivery cost?
Q.7d When purchasing items online that require delivery, how likely are you to pay an additional fee for same day or next day delivery?

Domestic vs international delivery & issues with delivery

Location of purchases

Base: All online purchasers n - 1613





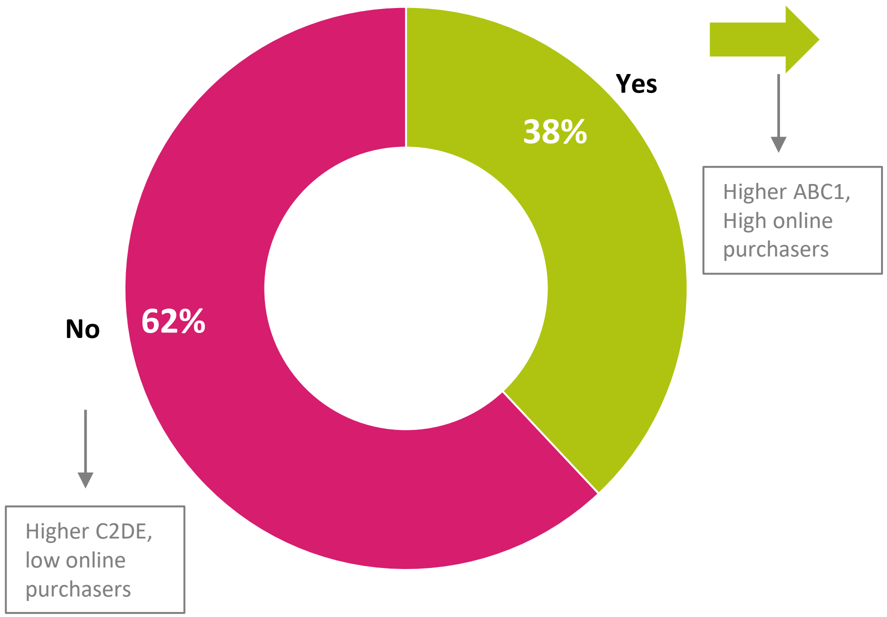
Purchases from international companies account for 3 in 5 consumer online purchases on average, with the UK market accounting for the largest share.

Q.8b Thinking of your last 10 online purchases that require delivery, what proportion were :

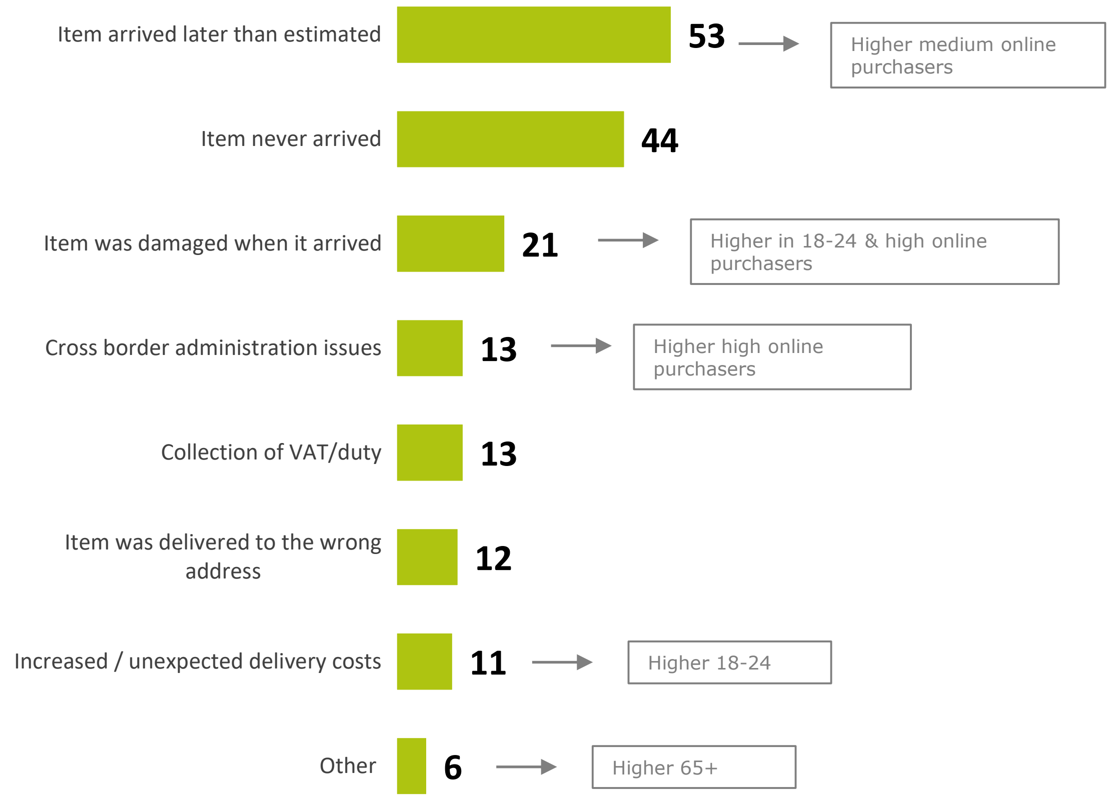
Issues receiving parcels from international companies

Base: All who purchase from international companies n - 1535

Incidence of issues with receiving international parcels
%



Delivery issue (all who experienced an issue n-585)
%

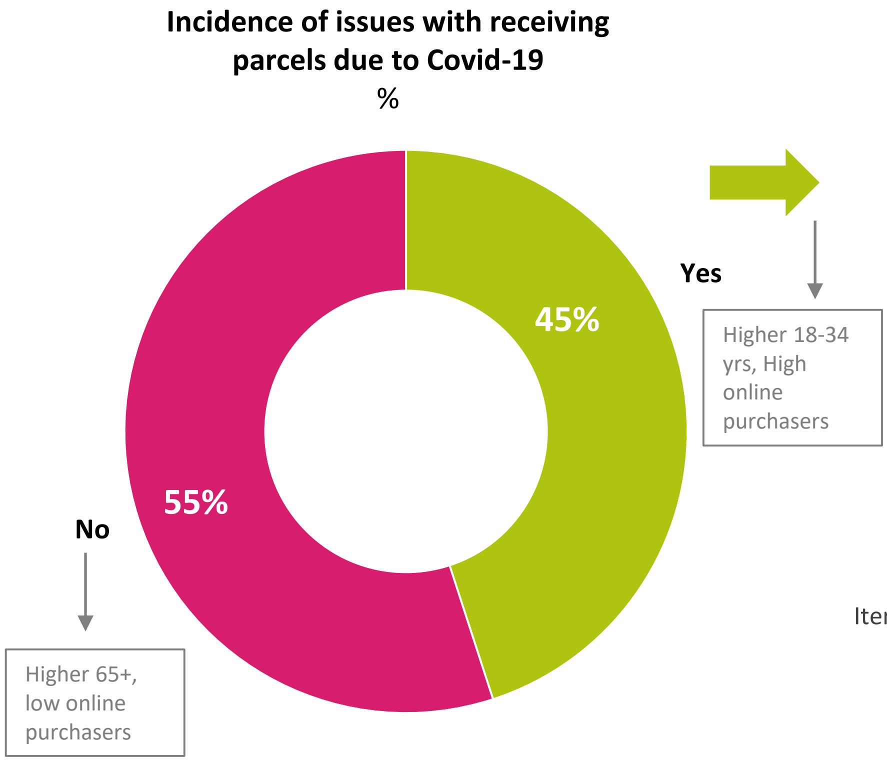


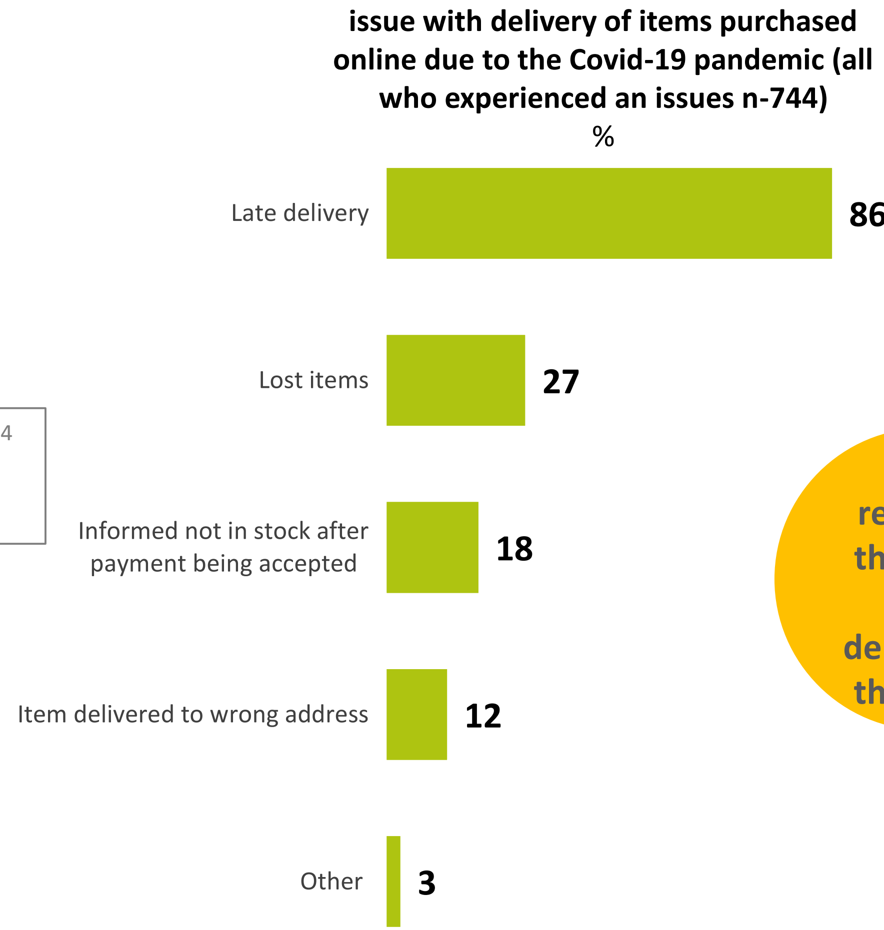
Almost 2 in 5 consumers who have purchased items online from internationally based companies have experienced an issue with delivery, mainly late or none delivery of the item.

Q.10a Over past 12 months, have you experienced an issue with the delivery of items purchased from a non-domestic company?
Q.10b You mentioned that you experienced an issue with the delivery of items purchased from a non- domestic company, what exactly was the issue you experienced?

Issues receiving parcels due to Covid-19

Base: All online purchasers n - 1613





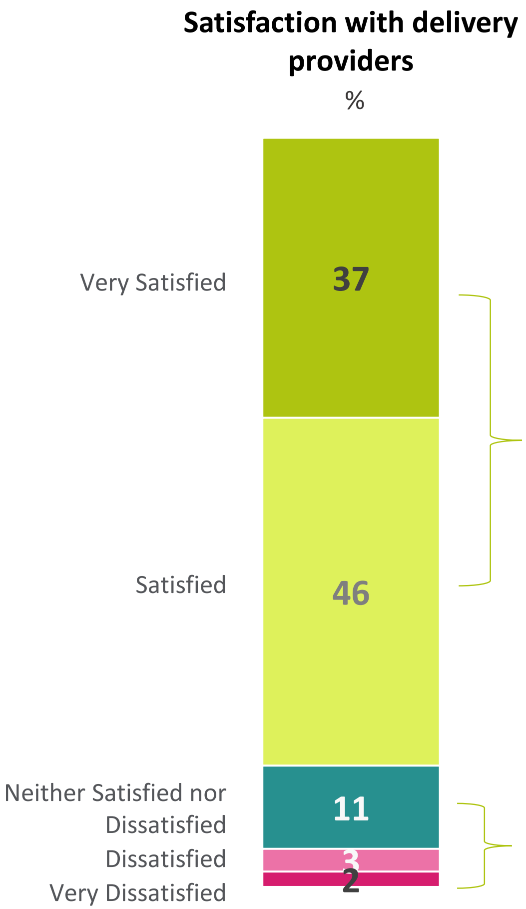
71% reported this issue with delivery to the seller

Some 45% of online purchasers have experienced an issues receiving a parcel, which they believe is due to Covid-19. The main issue reported was late delivery. The majority (71%) reported the issue to the seller.

Q.11a Since the Covid-19 pandemic hit Ireland during March 2020 have you experienced any issues with delivery of items, which you feel is due to the pandemic?
Q.11b You mentioned that you experienced an issue with delivery of items purchased online due to the Covid-19 pandemic, what exactly was the issue you experienced?
Q.11c And did you report this issue with delivery to the seller?

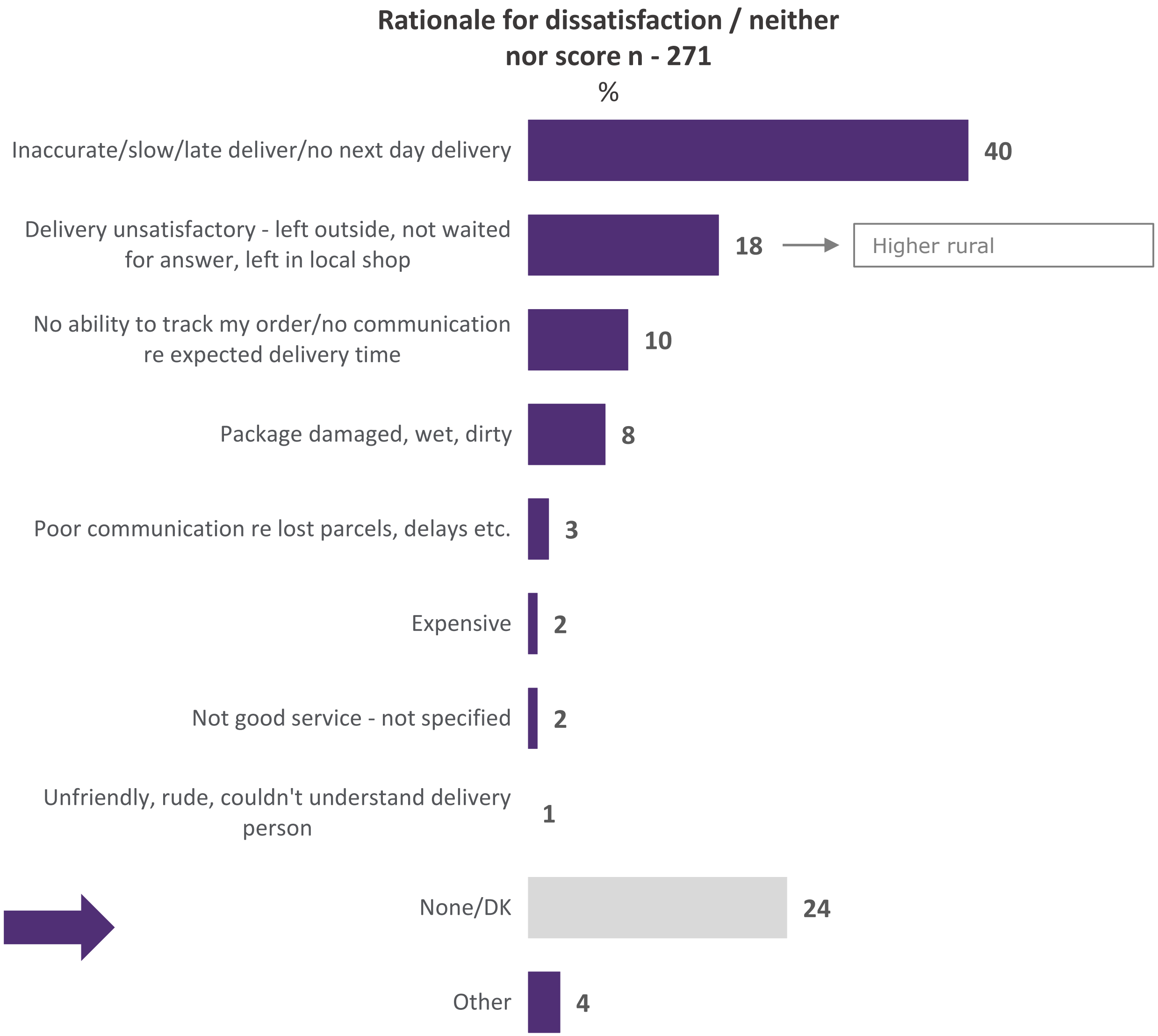
Satisfaction with parcel delivery provider who made most recent delivery

Base: All online purchasers n - 1613



83% satisfied
Higher amongst 50+
No significant variation across providers

17% dissatisfied / neither nor
Higher amongst 13-17



The vast majority of online purchasers are satisfied with the delivery service provided by the company who made the most recent delivery to them (no significant variation across delivery providers). Amongst those who were dissatisfied/neither nor, the main reason given for dissatisfaction was due to inaccurate/slow/late delivery.

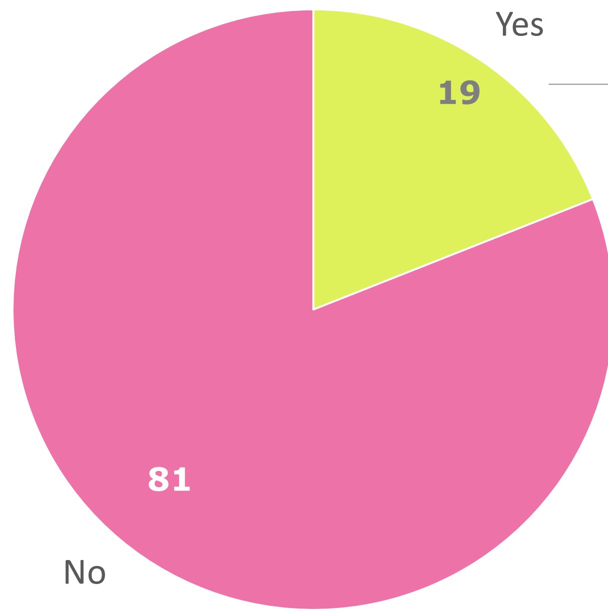
Q.13a Level of satisfaction with delivery service supplier who has delivered a parcel to you most recently
Q.13b Why are you dissatisfied with the overall service provided by the packet and parcel delivery service supplier?

Awareness of European green deal

Base: All online purchasers n - 1613

The European Green Deal is a set of policy initiatives by the ***European Commission*** with the overarching aim of making Europe climate neutral in 2050. As part of the European Green Deal parcel delivery providers have a number of environmental commitments.
Before today were you aware of the European Green Deal?

Awareness %



Higher male, 18-34, urban, ABC1F, Self-Employed, Student, high online purchasers, DHL most recent delivery

Higher female, 50+, rural, C2DE, home duties, retired, low online purchasers

1 in 5 online purchasers claimed to be aware of the European Green Deal, with clear demographic variations in terms of awareness. Those who received most recent delivery from DHL over index on awareness.

Q.14 Before today were you aware of the European Green Deal?

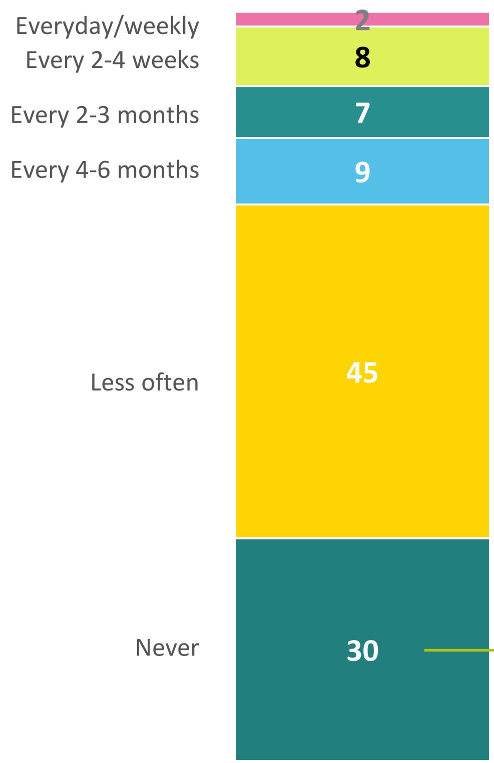
Returning parcels/ packages

Frequency of returning parcels / packages

Base: All online purchasers n - 1613

Frequency of returning parcels

%



Higher low online purchasers

Weekly+	2
Monthly+	10
Ever	70

Higher amongst high online purchasers

On average consumers who return items to online companies return 1 item per month

Higher 18-34, high online purchasers

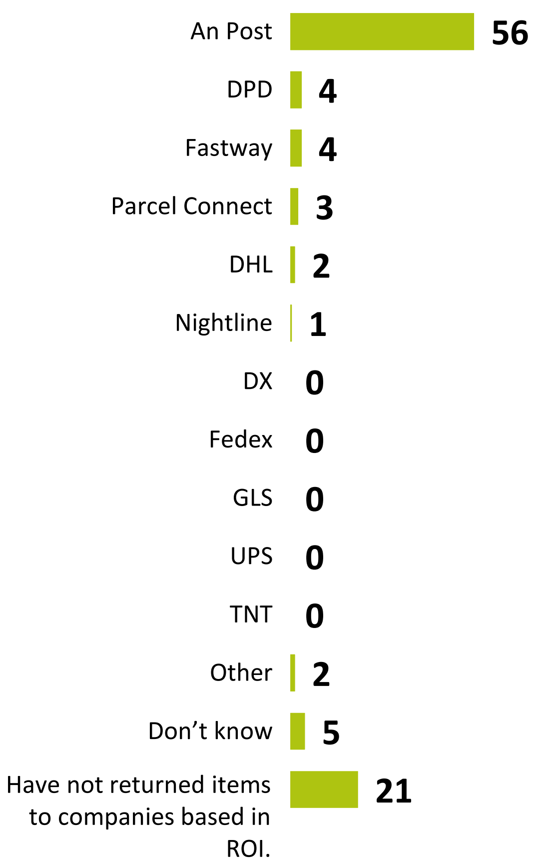
70% of online purchasers have ever returned an item (higher amongst high purchasing group), however return frequency is low with the average number of items being returned per month at 1 on average (falls to 0.4 items per month amongst all online purchasers).

Q.15a Thinking of items that you purchase online, on average how frequently do you return items to your online retailer?
Q.15b In your personal capacity; on average how many items do you return to online companies during a typical week?

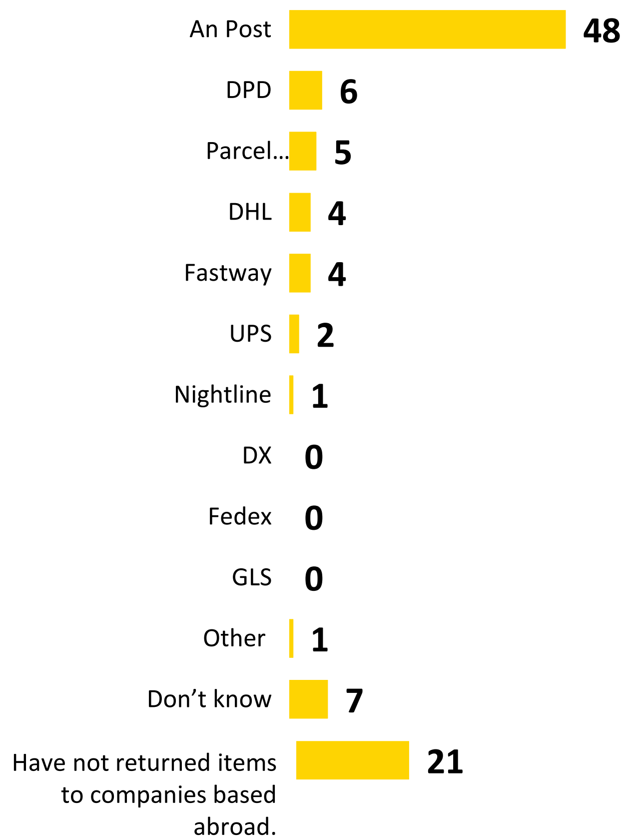
Usage of parcel delivery providers to return domestic & vs non domestic parcels

Base: All ever return online items n 1141

Companies used to return domestic parcels
%



Companies used to return international parcels
%



Companies ever used to return parcels
%

An Post	66
DHL	7
DPD	10
DX	0
Fastway	7
Fedex	1
GLS	1
Nightline	3
UPS	3
Parcel Connect	7
TNT	0
Other – specify	3
Don't know	18

DHL: Higher18-24

DPD: Higher male, high purchaser

Parcel Connect: Higher female, 18-24, high purchaser

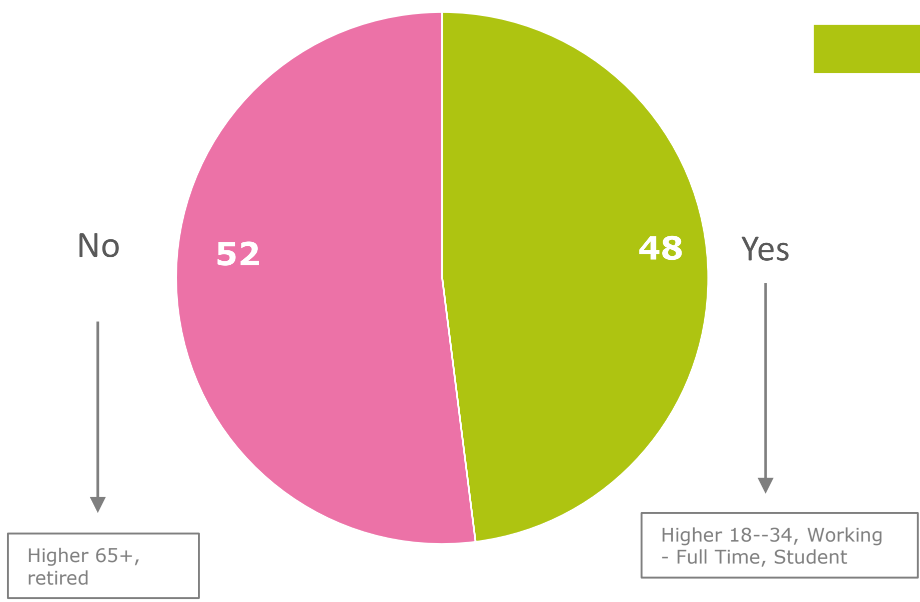
An Post is the main parcel delivery provider used to return items both domestically and internationally.

Q.16c And which packet and parcel delivery service provider did you use most recently for the last parcel you returned to a company based abroad?
Q.16b Where no prepaid return, which packet and parcel delivery service provider did you use for the last parcel you retuned to a company based within the ROI?
Q.16a Which of the following packet and parcel delivery service providers have you ever used to return an item purchased online?

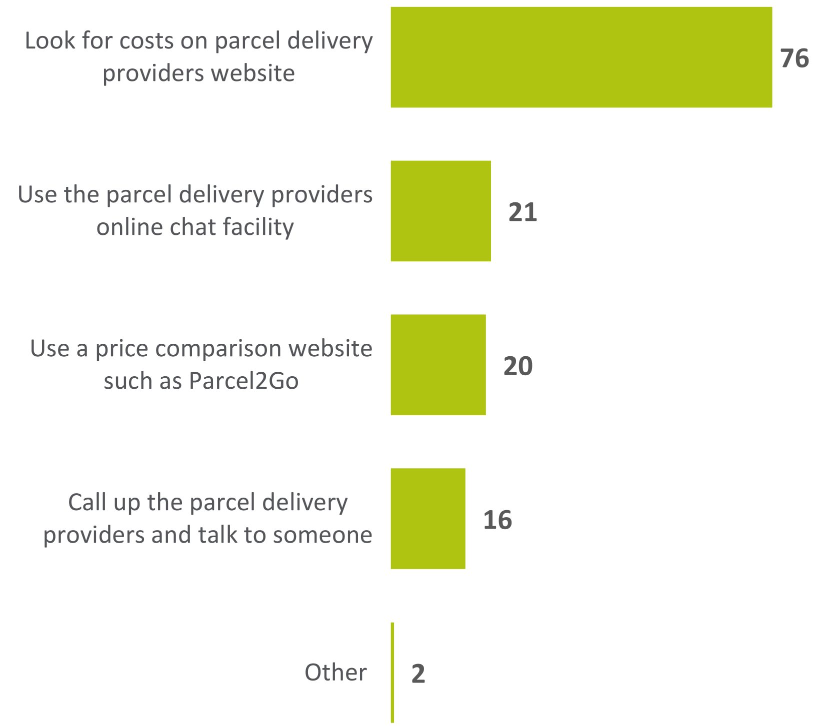
Comparing prices

Base: All ever return online items n 1141

Incidence of comparing prices to return items if free delivery not provided
%



How compare prices (all ever compare prices n – 559)
%

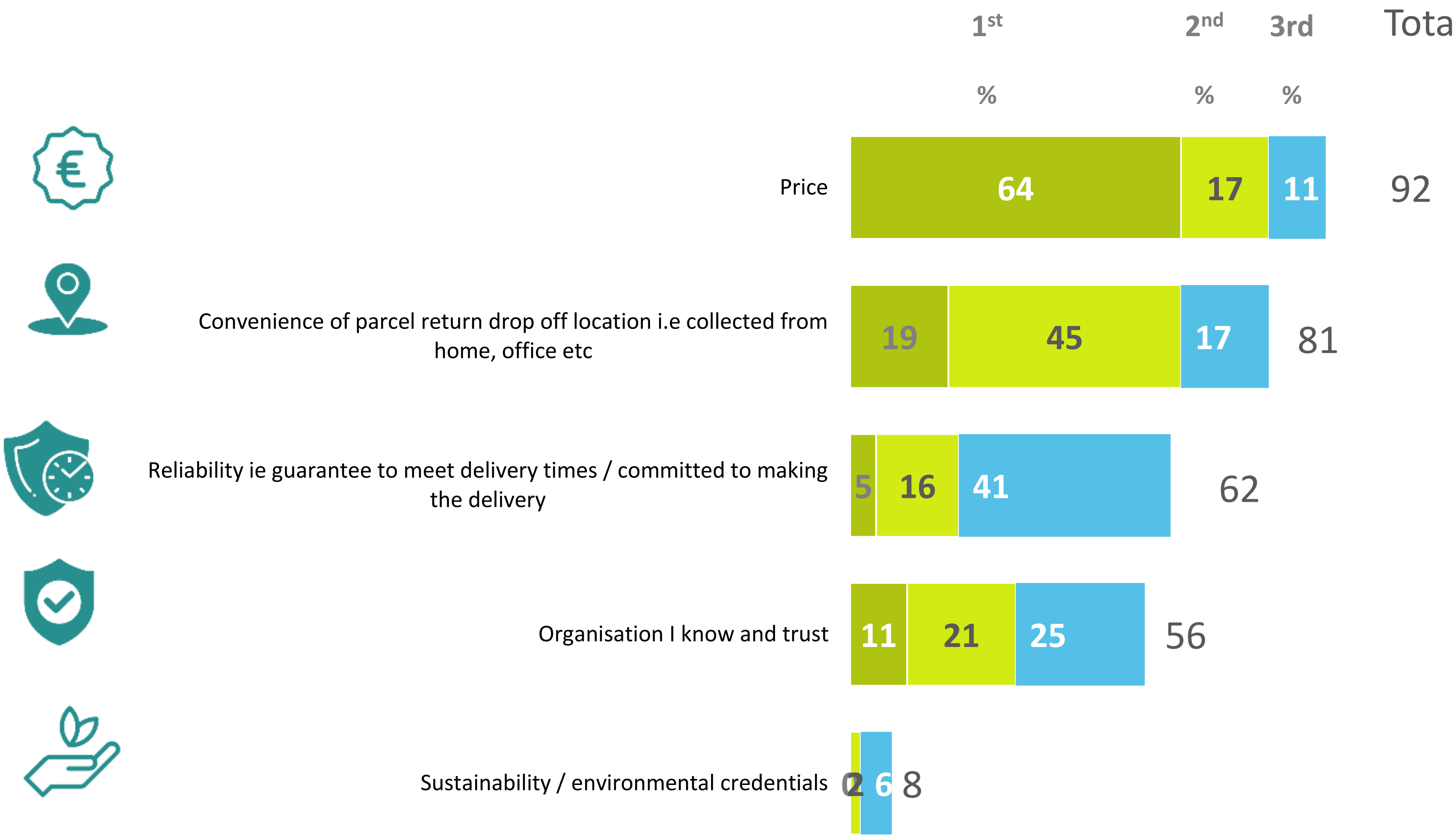


Almost half of those who have returned items have compared the price of returning the items across providers, with the parcel delivery providers website being the main source used to compare prices.

Q.18di When returning items to online retailers that do not provide a pre-paid return label or a free returns service, do you compare the price of sending the items across parcel delivery providers?
Q.18dii How do you compare the price of sending an item across parcel delivery providers?

Importance of criteria when returning items

Base: All ever return online items n 1141

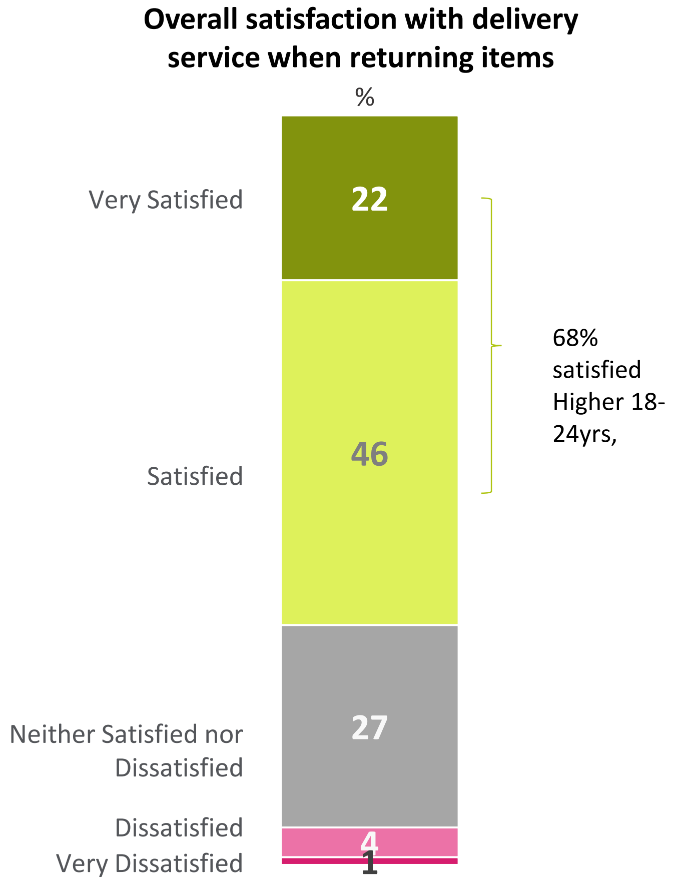


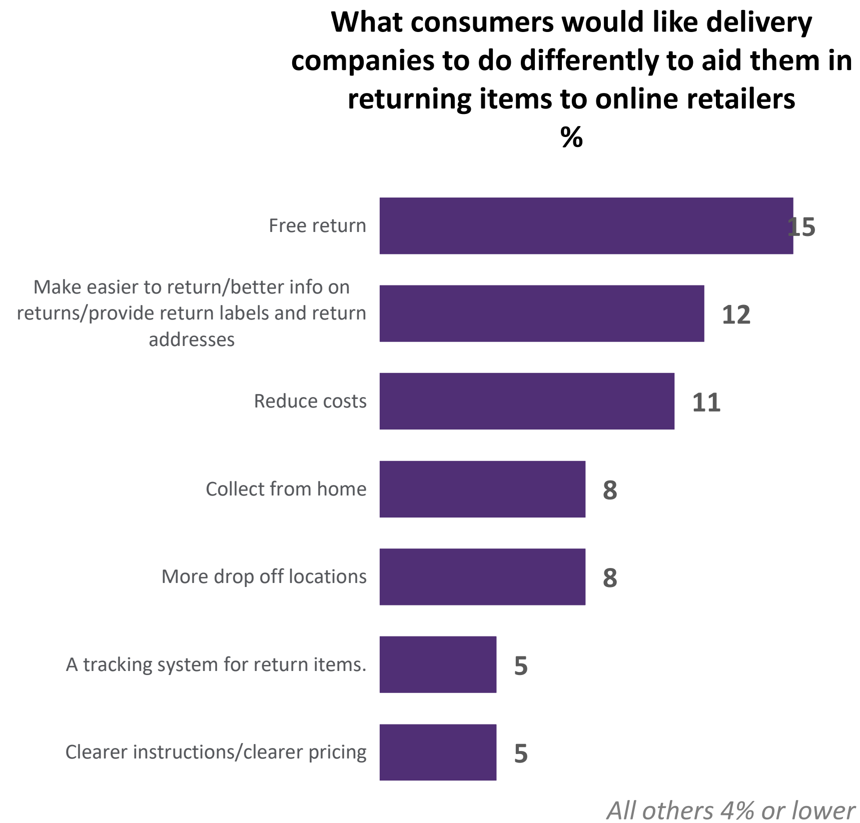
Price is the main item reviewed when returning items, following by convenience.

Q19 What are TOP THREE criteria you use to choose packet or parcel provider

Overall satisfaction with parcel delivery providers in Ireland for returning items to online retailers

Base: All ever return online items n 1141





Overall satisfaction with delivery service when returning items to online providers is high (no significant variation across demographics), with free returns and more convenient returns being the main aspects consumers would like delivery companies to do differently in the future to aid them in returning items to online retailers.

Q.20a Level of satisfaction with packet and parcel delivery service suppliers in Ireland for returning items to online retailers
Q.21 What would you like to see parcel and packet delivery providers do differently for consumers in future to aid them in returning items to online retailers?

Summary of key findings

Summary of key findings

1.

The incidence of consumers purchasing items online that require delivery on a weekly+ basis has doubled since Covid-19, in addition 2 in 3 consumers now claim to be receiving parcels on a monthly+ bases, versus half pre Covid-19.

2.

Half of consumers claim to have increased their frequency of purchasing items online that require delivery at an overall level, with 1 in 5 expecting their level of online purchasing to increase further (with little variation across demographics).

3.

Delivery to the home is the clear preference for consumers. A range of other locations are used by consumers on occasion however, with workplace and parcel locker/parcel motel over indexing amongst those working full time.

4.

The overall cost of the item including delivery and free delivery options are the main aspects reviewed before purchasing items that require delivery, followed by delivery speed.

5.

Based on last 10 deliveries, 3 in 5 online purchases were international, with 40% emerging from the UK alone.

6.

The vast majority of online purchasers are satisfied with the delivery service provided by the company who made the most recent delivery to them. Amongst those who were dissatisfied/neither nor, the main reason given for dissatisfaction was due to inaccurate/slow/late delivery.

7.

70% of online purchasers have ever returned an item (higher amongst high purchasing group), however return frequency is low with the average number of items being returned by those who do return items being 1 item per month on average. High levels of satisfaction reported with returning parcels in terms of price and at overall level. However, free returns and more convenient returns are the main aspects consumers would like delivery companies to do differently in the future to aid them in returning items to online retailers.

Thank you.

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Delve Deeper