

Accenture Capabilities and Assets

Global Consumer Control Research Findings  
April, 2014



  
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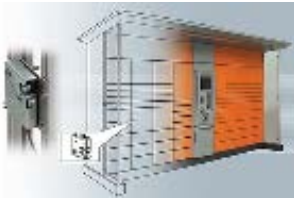
# Industry Trends

## 1 Same Day Delivery



- FedEx, UPS, Amazon, eBay, Google, have introduced same day offerings, spurring Posts to consider competitive offerings.
- Posts are experimenting to find a viable model: Deutsch Post, Australia Post, Japan Post, Royal Mail, Purolator and ParcelForce offer Same Day services.

## 2 Lockers



- Amazon has bypassed traditional shipping by installing branded lockers in 7-11 stores.
- Almost 50% of survey respondents\* indicate they would use a secure location if it were very close their home, with less than 10% indicating that they would never want a package delivered to a secure location

## 3 Ship To Store



- Retailers are leveraging their existing physical presence to offer new delivery solutions
- Traditional brick and mortars only utilize ~75% warehouse space
- Walmart, Macy's USA, and Best Buy have expanded their network of fulfillment centers to include brick and mortar locations

## 4 Crowdsourcing



- New crowdsourced delivery companies such as Runner, Zipments, Deliv and RideShip are experimenting in targeted markets
- Retailers such as WalMart are starting to explore crowdsourced models
- Enables same day delivery with little to no premium pricing

# Industry Trends

## 5 Showrooming



- Over 51% of consumers use their mobile device to compare prices in store and 1 in 3 end up buying elsewhere.
- 45% of in-store shoppers will walk out and buy online for a discount as low as 2.5%
- Free shipping and returns, back up sizes and short term trials are enabling consumers to “try” at home as they would in the store

## 6 E-tailer / Retailer as Shipper



- E-tailers and retailers are entering last-mile, leveraging brick and mortar store network or existing access points to households.
- Amazon’s recent announcement to enter and deliver to 40 US markets with their AmazonFresh product
- eBay purchased Shutl to begin exploring alternate delivery models.

## 7 Subscription Model



- Subscription commerce is used by up-and-coming internet companies such as Birchbox, Shoedazzle, Trunk Club and CakeStyle
- Pre-paid shipping programs such as Amazon Prime, eBay Now, Google Express promote steady annual revenue streams

## 8 Work from Home



- It is estimated that 1 in 4 workers now spends at least one day a week working from home.
- In the US, working from home grew at 74% from 2005 to 2012

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# Consumer Control Research

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We conducted a survey of 13,000 consumers in 12 countries about consumer control tools and services

## Methodology

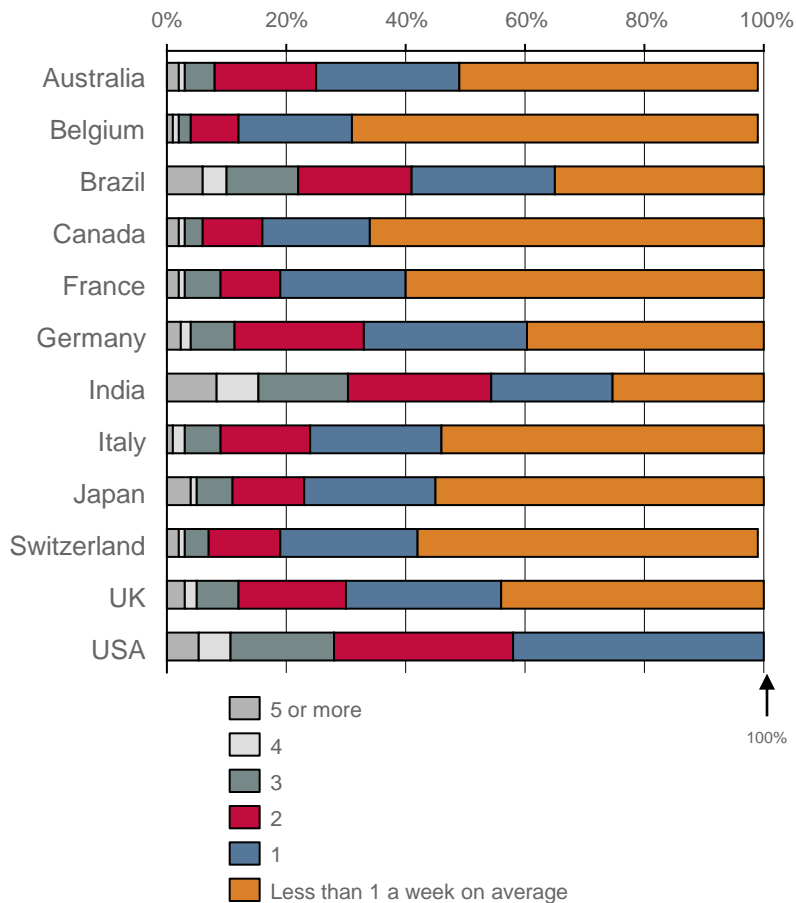
- People who shipped 2 or more packages per month
  - Asked questions about 18 key consumer control features
    - What is the **value** of the feature?
    - How **frequently** would they use the feature?
    - Would they be **willing to pay** for the feature?
  - Questions about difficulty of receiving packages, and where specifically are the pain points
  - Demographic information
- 

## Insights (All Countries)

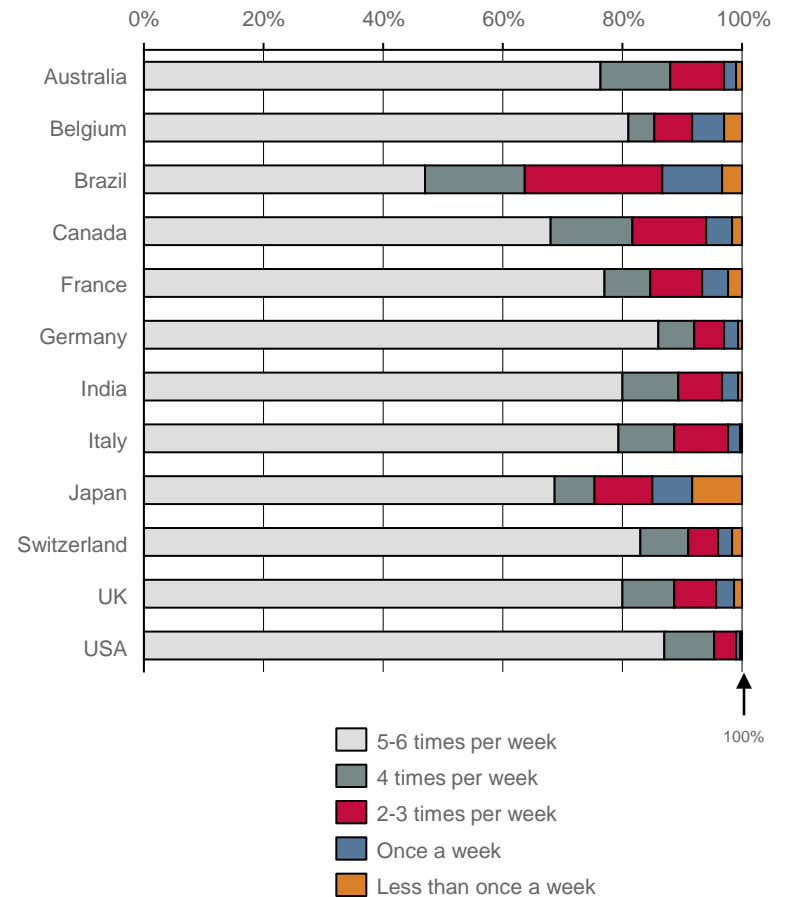
- High value does not necessarily mean consumers will pay for the feature
- Ecommerce is the main driver of package growth (64% packages received are from online shopping)
- 35% of people cite some difficulty with receiving packages.
- Of the people who have difficulty, 71% say it is related to inconvenient timing or scheduling
- Urban consumers are more willing to pay for services than suburban or rural customers
- While most people across all income levels receive 1 or fewer packages per month, high income people are more likely to receive more packages

# Global - Mail and Parcel Behavior

## Packages Received per Week

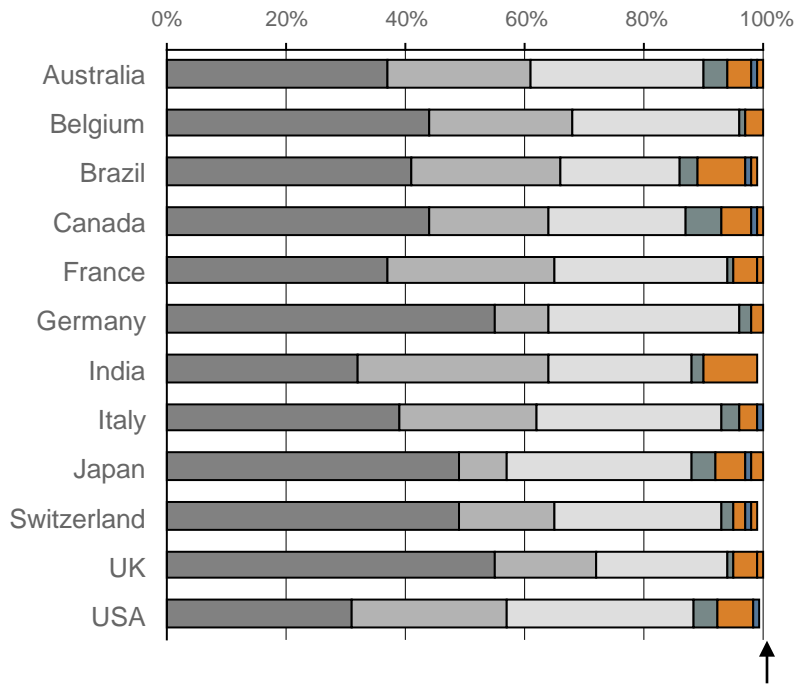


## Frequency of Checking Mail



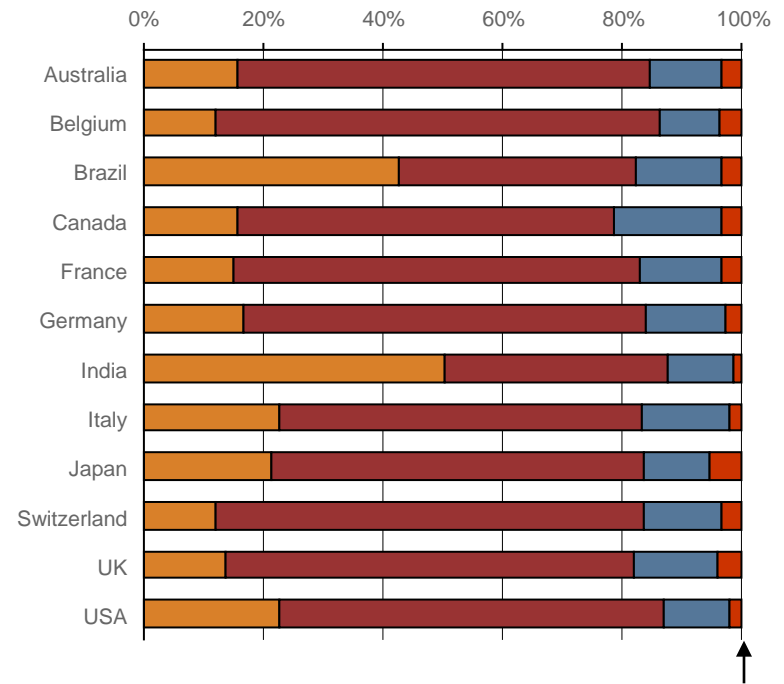
# Global - What Influences Participants to Check Mail

## What most influences frequency of checking mail?



- The mailbox is near my door, so it is convenient to check
- I check the mail frequently because I enjoy seeing what I received
- I check the mail frequently out of habit
- The mailbox is in an inconvenient location away from my home
- I only check the mail when I am expecting something important
- I only check the mail when the box is full
- I don't check the mail often because I don't read my mail

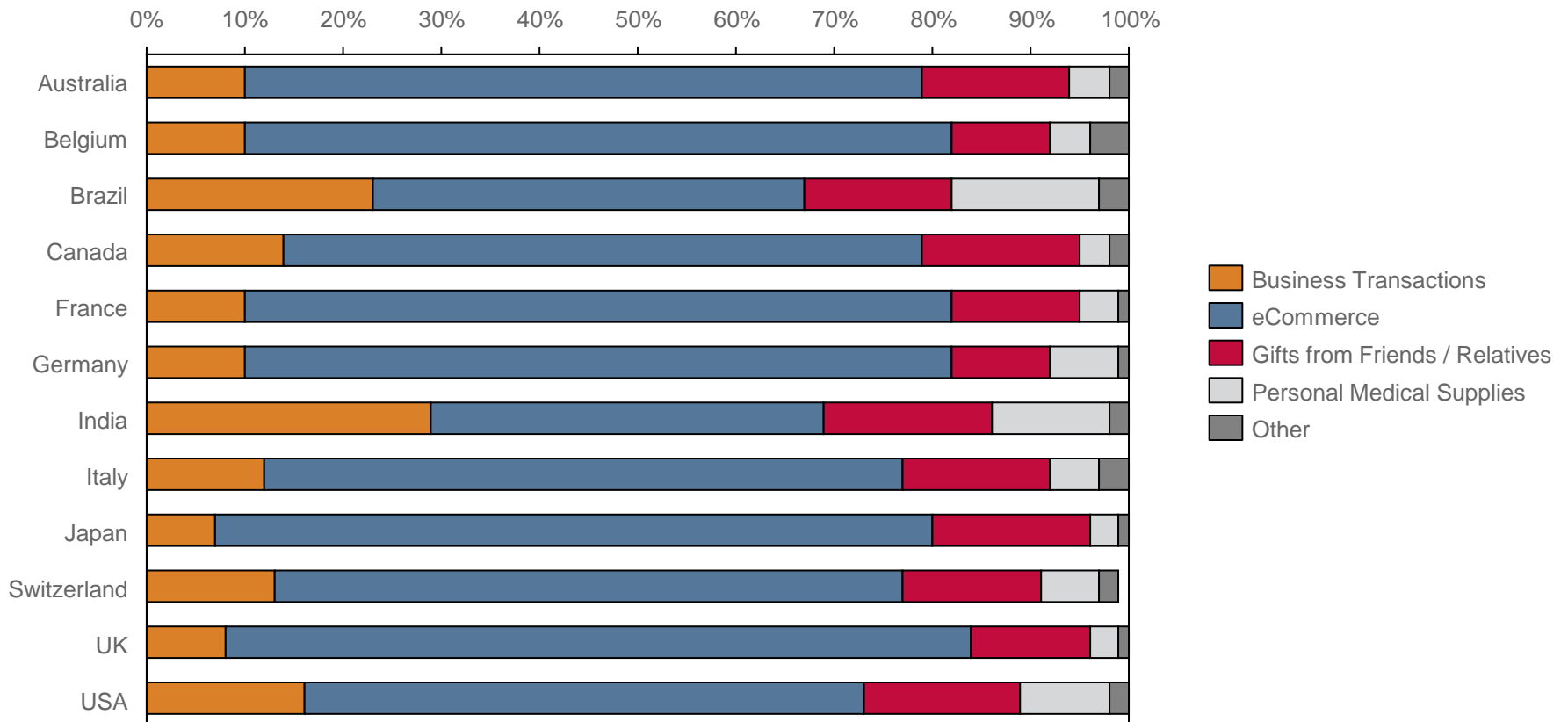
## If you knew what was in your mailbox each day, would you check the mail:



- More often
- About the same
- Less often
- Don't know

# Global - Type of Parcels Received

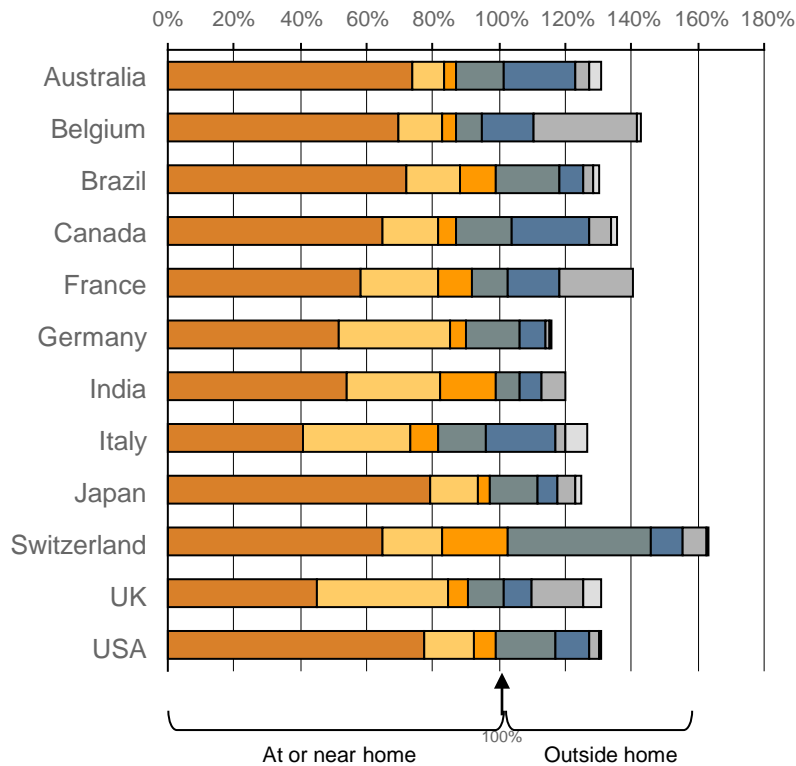
## What Percentage Of Parcels Shipped To You And Your Family Come From Each Of The Following Sources?



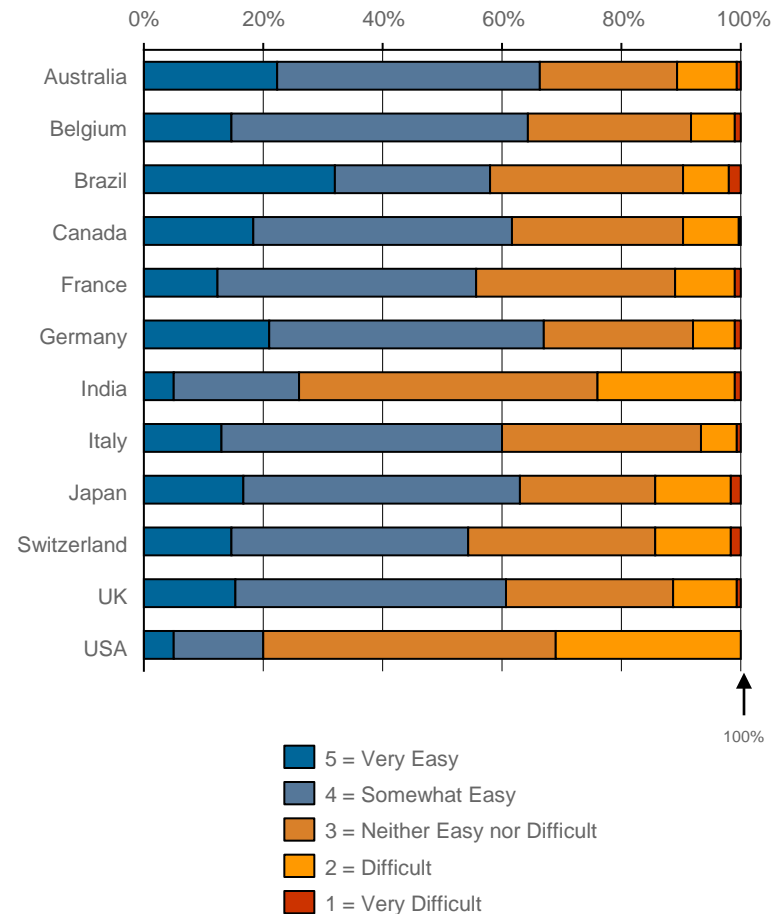


# Global – Parcel Experience

## Where Participants Receive Parcels<sup>1</sup>



## Overall Parcel Experience



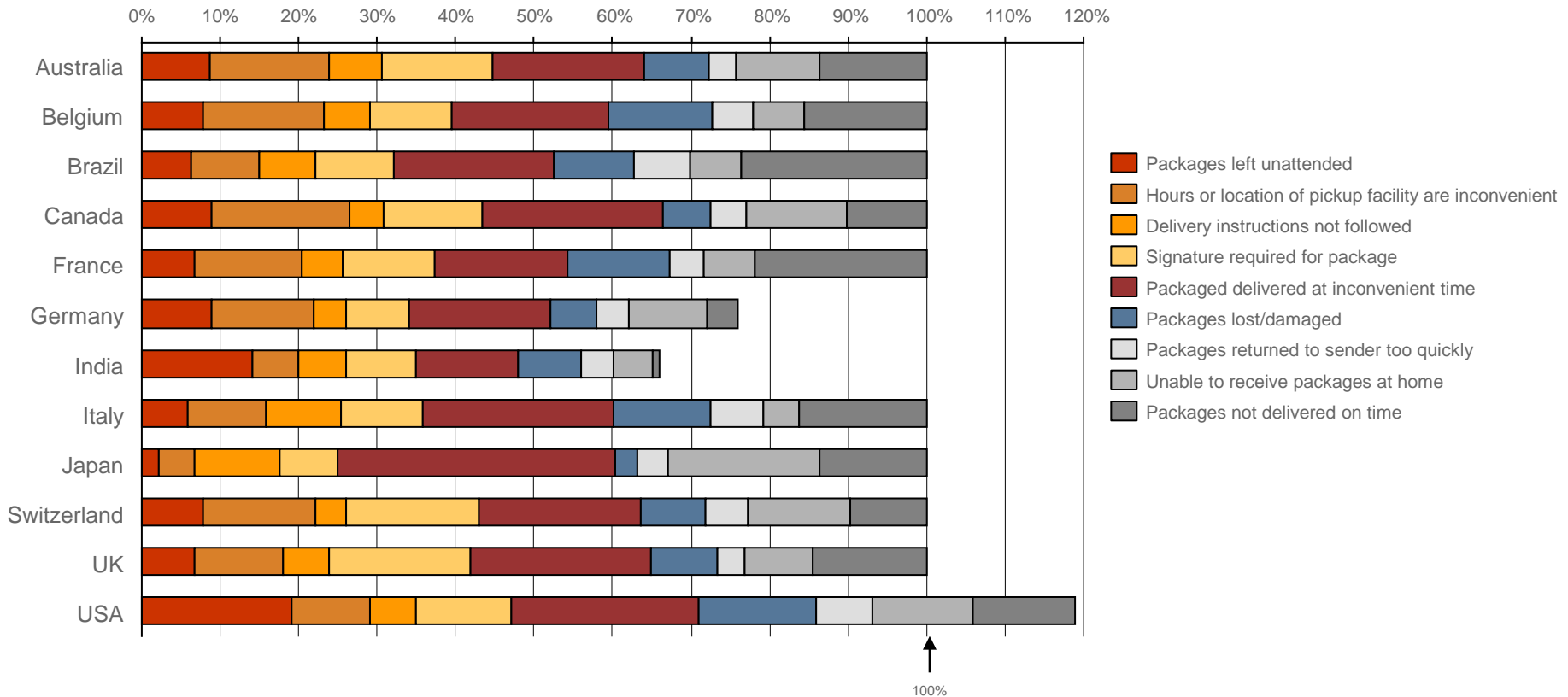
- At a single-family home
- At an apartment/condo with no package storage
- At an apartment/condo with package storage
- At my office
- Pickup at a postal shipping outlet
- Pickup at local store of retailer
- Other (please specify)

Note:  
1- Values do not add up to 100% since participants could select more than one option.

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# Global - Top Reasons for a Poor Parcel Experience

## Main Reasons for Poor Experience with Parcels



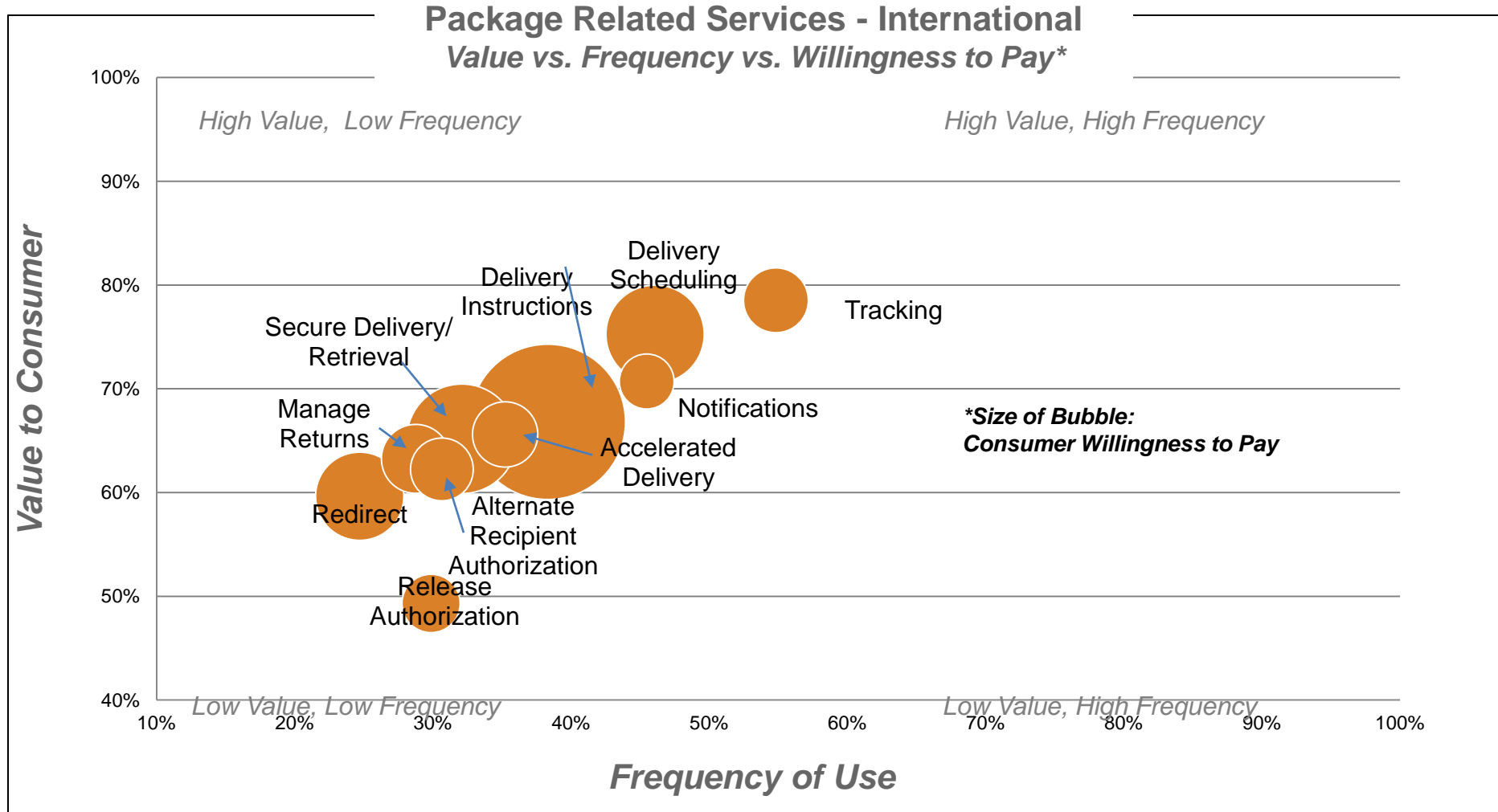
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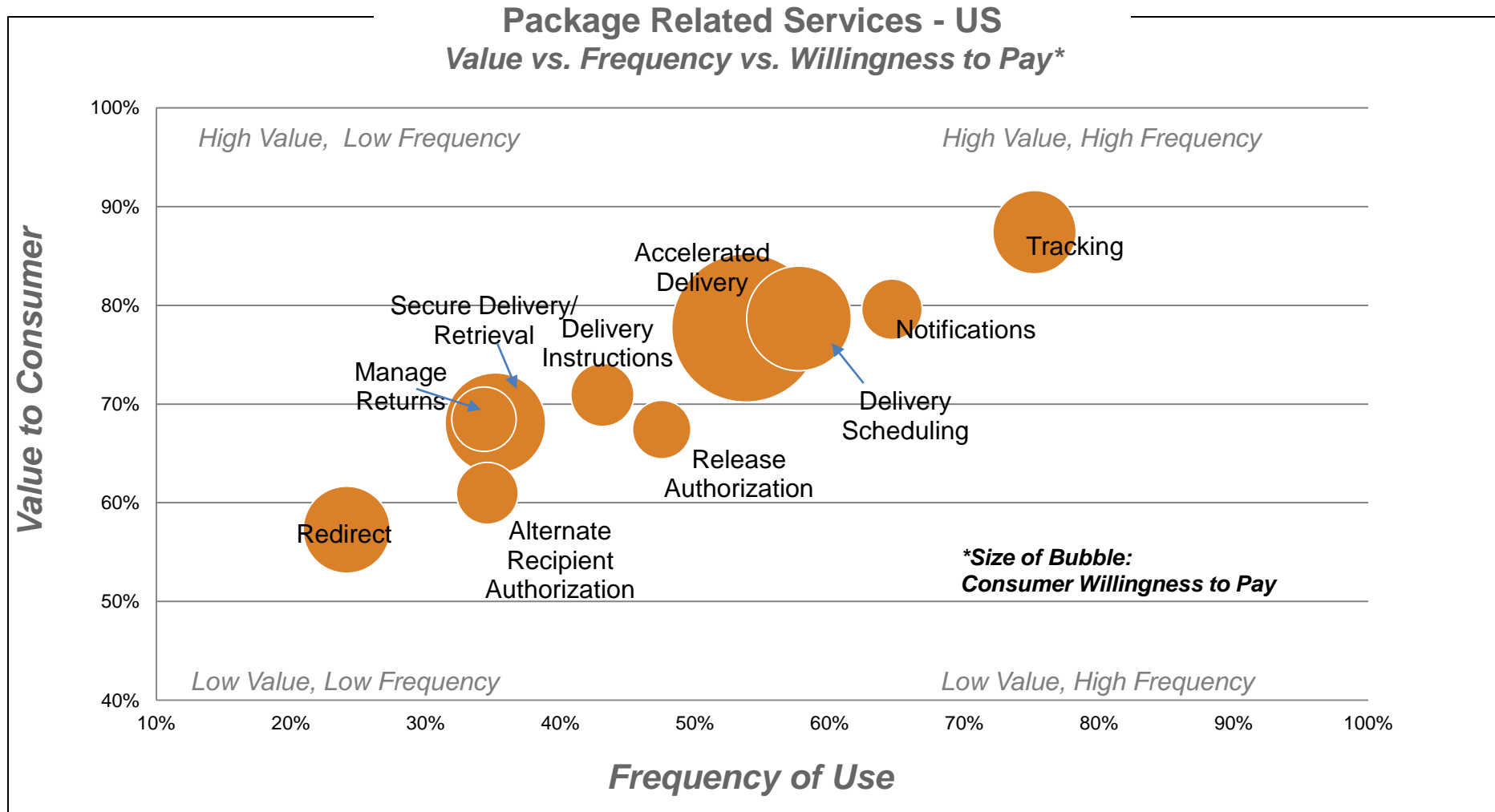
# Research Insights: Product Features – Parcel (Global)

Overall, features that have high value and high frequency do not necessarily have the highest willingness to pay.



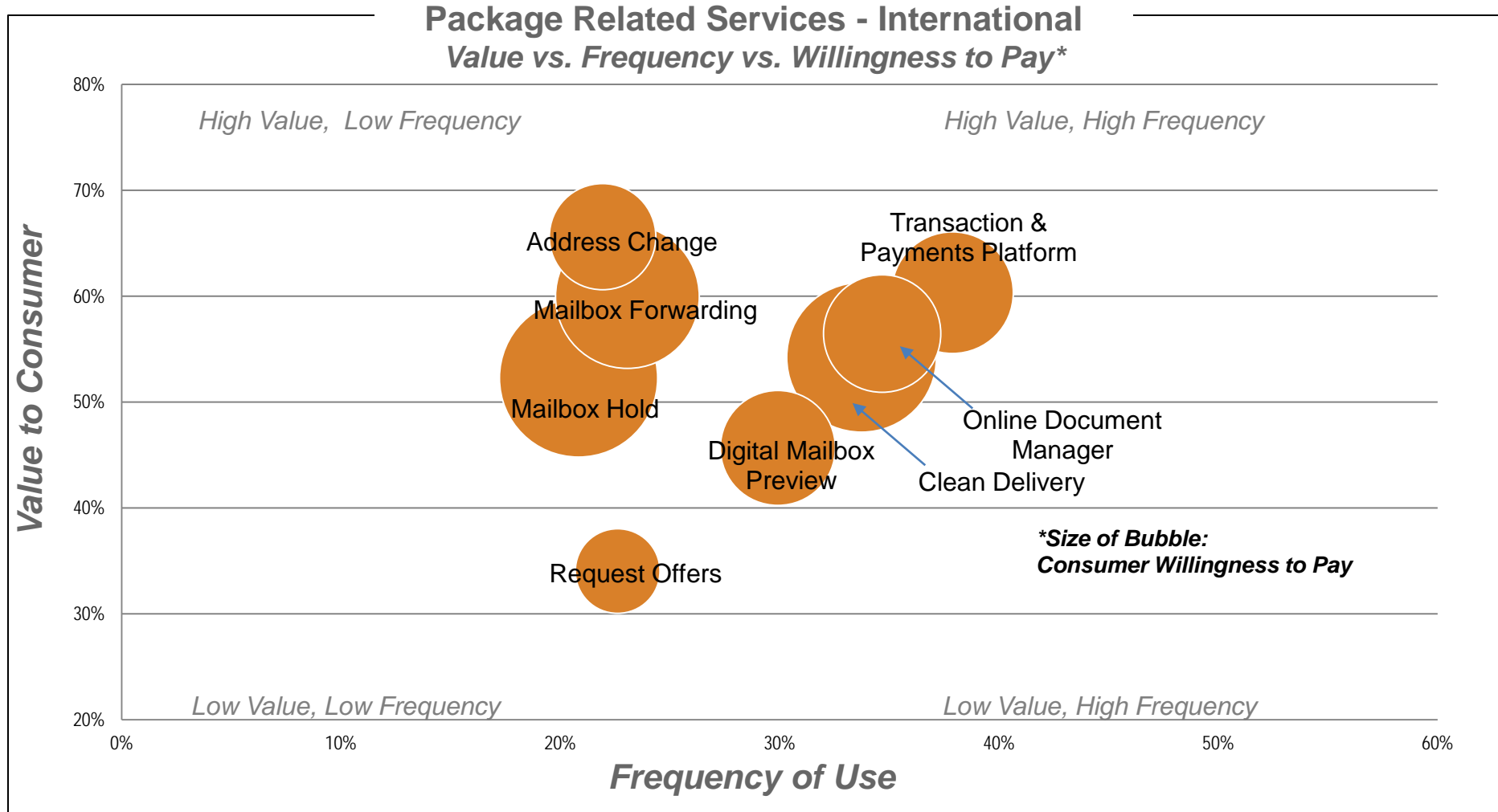
# Research Insights: Product Features – Parcel (US)

The US market follows the global trends but shows a higher frequency of use across most features.



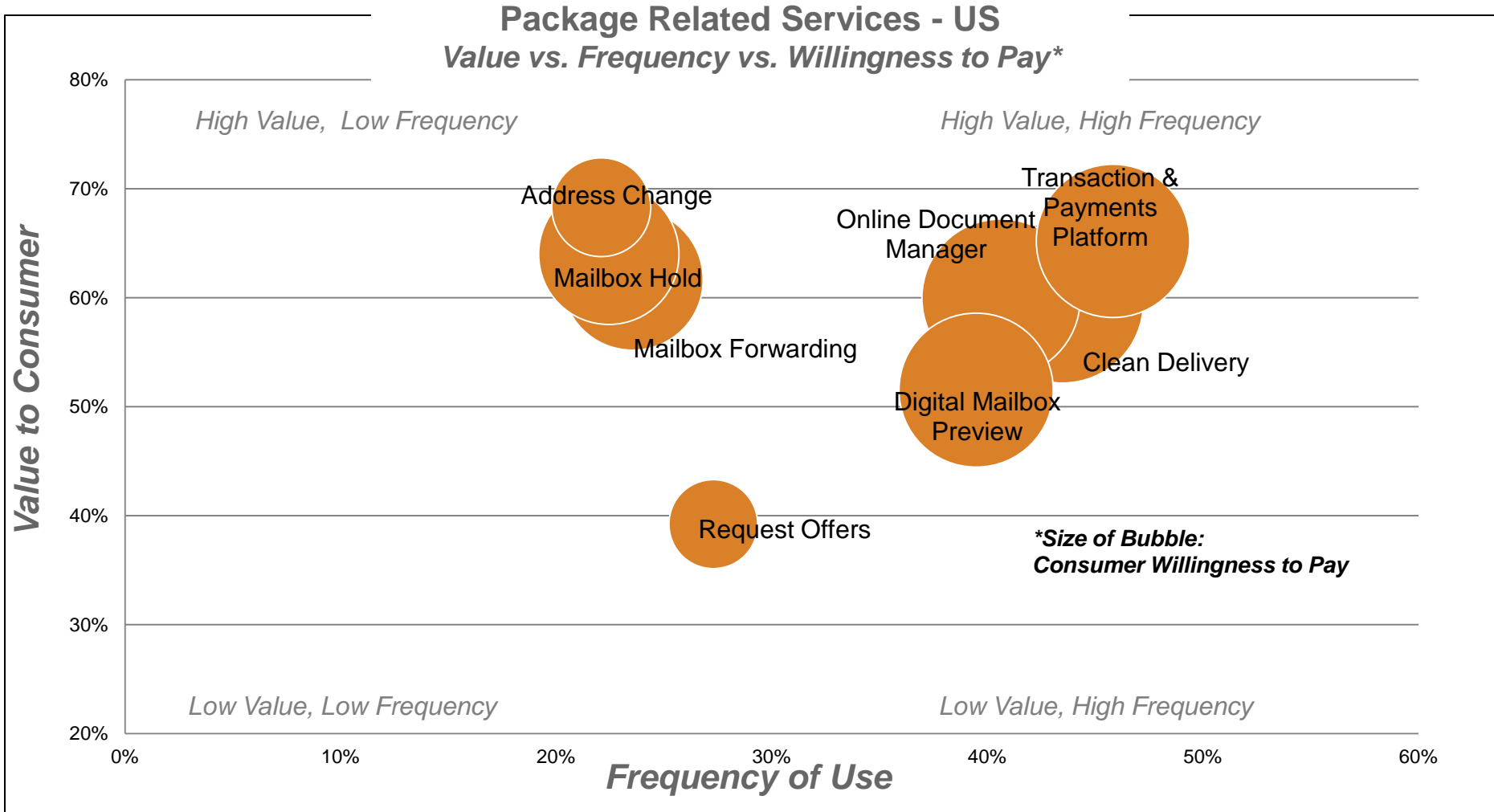
# Research Insights: Product Features – Mail & Other (Global)

Mail and Other features cluster into two distinct feature sets across all countries.



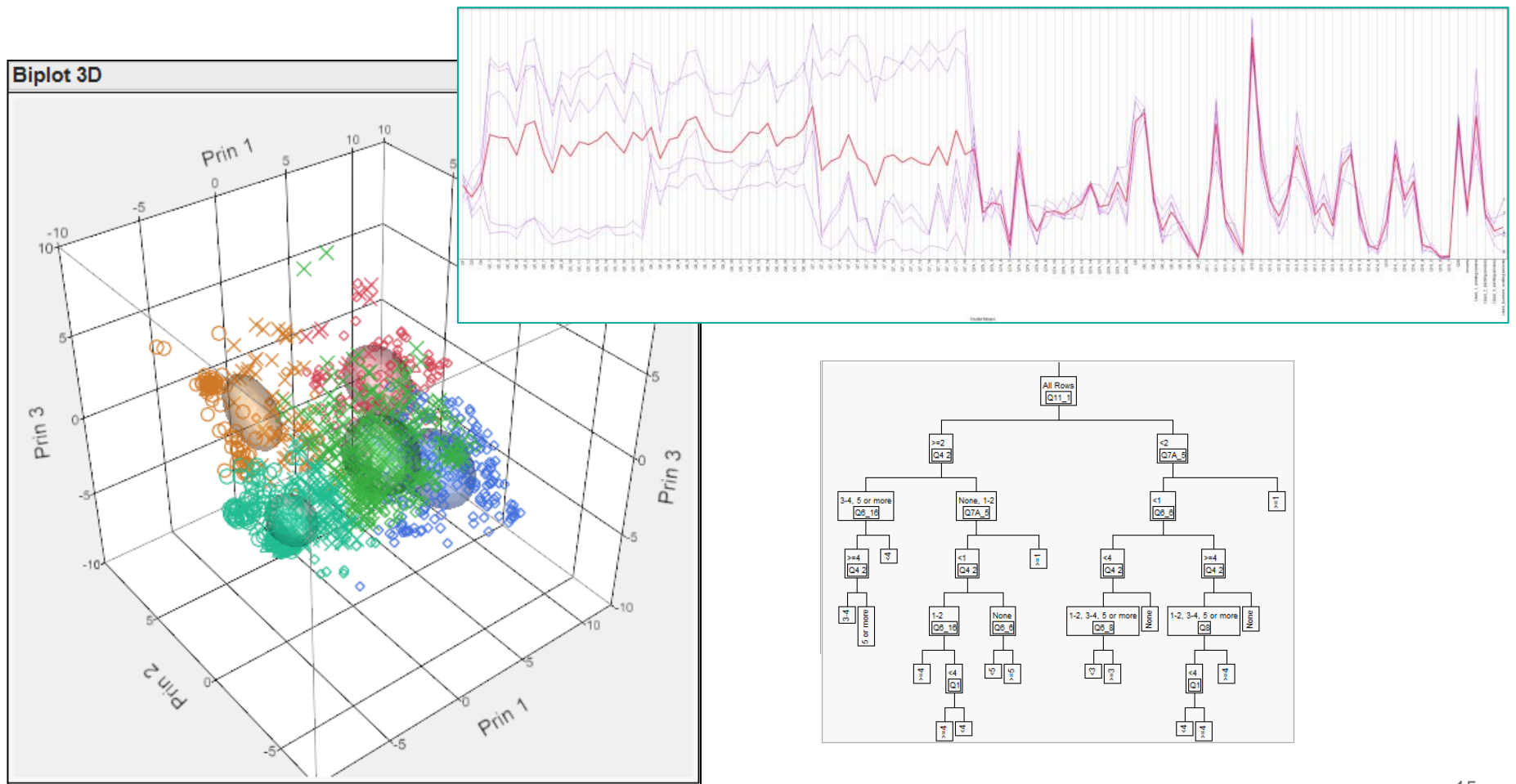
# Research Insights: Product Features – Mail & Other (US)

For certain features, US consumers demonstrate a much higher frequency of use.



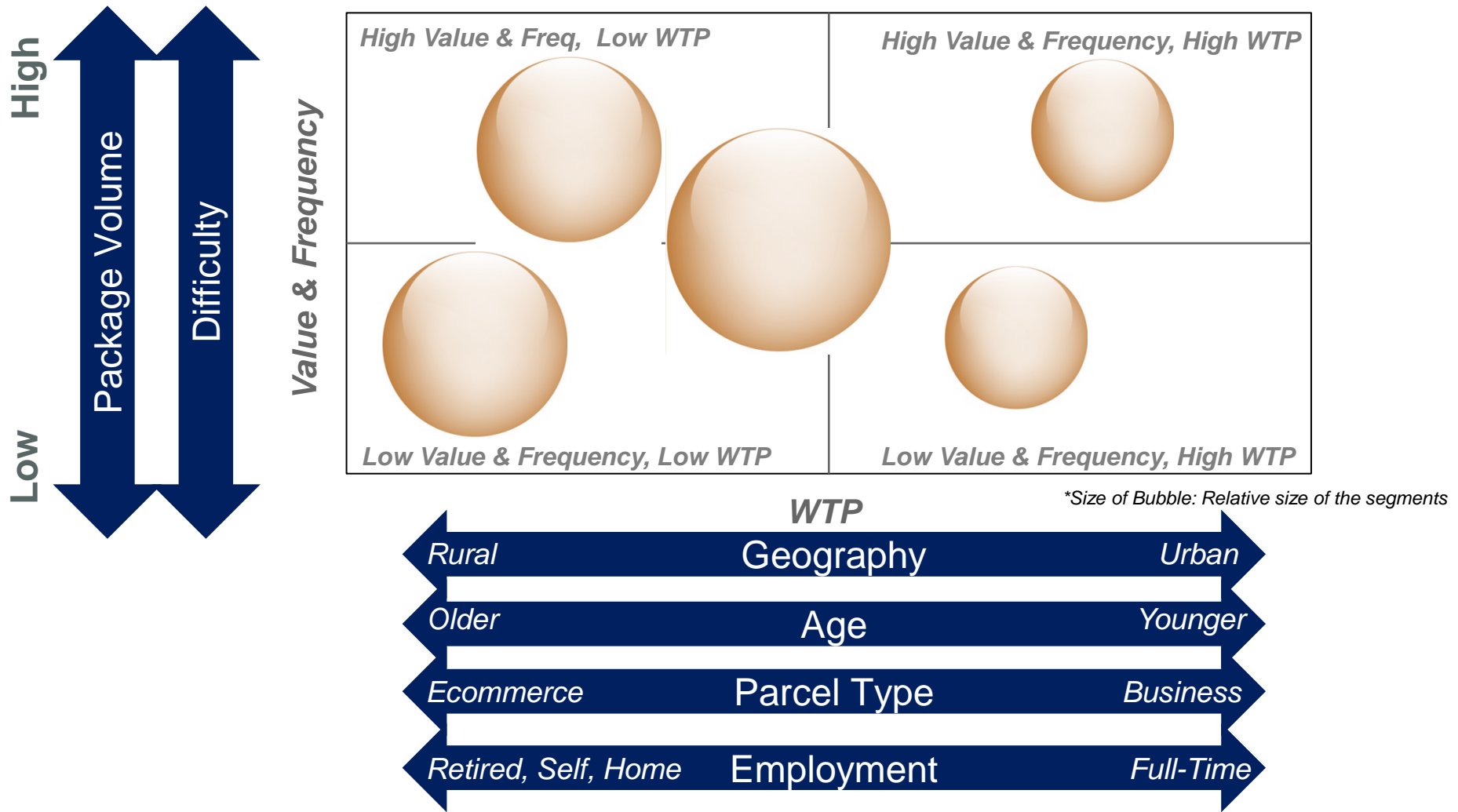
# Segmentation Analytics

Cluster analysis in SAS using multiple models defined five discreet segments.



# Customer Segments

While relatively similar in size, the segments demonstrate very different behaviors and demographics.





# Thank You!

