



## THE RIGHT DAY, THE RIGHT TIME

How online shops can improve their performance with flexible delivery times

## CONTENTS

---

2. Greater flexibility

---

3. Customer service  
as a competitive  
factor

---

4. Conclusion

---

## 1. INTRODUCTION

Shopping on the Internet is easy and convenient, as customers can determine for themselves when and where they shop – regardless of their current whereabouts. However, in many online shops this freedom of choice ends when it comes to the delivery of the parcel. Most customers do in fact wish to determine the exact time of the delivery themselves. Delays and additional journeys often cancel out the actual advantages of buying online – particularly the speed and flexibility.

What remains are the negative experiences, which customers will ultimately transfer to the overall buying experience. This in turn can reduce the repurchase rate.

Some services do already enable customers to define a specific time slot for the delivery. However, it is still more the exception than the rule that such delivery time options are also offered in the checkout of online shops. But the quality of an online shop also depends on the last mile. E-commerce retailers can stand out from the competition by providing such additional services. They will sell more, lower the return rate, and thus generate revenues and provide sustainable growth for their shops.

## 2. GREATER FLEXIBILITY

What do online shoppers want? With every click and every movement in the shop, customers leave tracks, which give retailers information on that. But what about a completely different yet equally important part of the purchase: the delivery of the goods? The so-called last mile contributes significantly to the satisfaction of customers. Because only after the delivery customers actually hold the goods in their hands. Fast and reliable delivery is now considered standard. 85 percent of German online shoppers say it is very important to them. The delivery has a big impact on customer satisfaction and directly affects the performance of the online shop. Bad experiences in terms of delivery can cause lasting damage to the reputation of the shop. Positive experiences, however, are the basis for continuous sales growth.

*Customers want to determine the time of delivery themselves.*

Customers also expect the same flexibility they have while shopping online when it comes to the receipt of their parcel. The vast majority of

customers want to choose the delivery time themselves. 63 percent of online shoppers already want to specify the delivery times directly during the ordering process.

This is where the needs of individual customers can vary greatly – and depend on a variety of factors. Commuters, for example, will prefer to stop by a parcel shop on their way to or from work. Others, who are less mobile, or would have to take a detour, will be less interested in this option. Some are quite happy to have parcels delivered to neighbors, as they know and help each other. While others – especially in cities – may not even know their neighbors.



Source: Study "Usage behaviour in e-Commerce in Austria and Germany", DHL, 2015

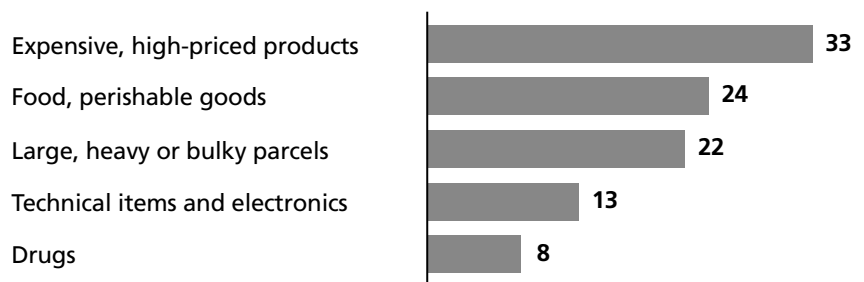


Source: Study "CUSTOMER JOURNEY – From ordering to parcel receipt", DHL, 2015



The desired place of delivery can also depend on the ordered products. 33 percent prefer to personally receive expensive goods as well as food. Food for example should ideally arrive fresh and not be temporarily left in a parcel station or with neighbors. Also, to transport large and heavy goods home from the post office or a parcel station of the parcel service provider is tedious. In these cases delivery to the front door is an important criterion in favor of online shopping. So there are many different reasons why parcels should arrive directly at home. Incidentally, that is what more than three quarters of German online shoppers want.

#### Products that customers wish to receive personally



#### THE DAILY RHYTHM IS DECISIVE

What is most important for customers is to be able to define the day (85 percent) and the exact time (78 percent) of the delivery. By far the most popular time of delivery is in the evening hours (38 percent). Customers can determine the time of delivery so it fits perfectly into their daily routine.

*"Now I can finally decide myself when the parcel arrives."*



Ordered in the morning, delivered in the evening – i.e. same day delivery – gives online shoppers a real-time shopping experience. The time span between purchase and reception of goods is minimized. Some large stores such as Amazon, Douglas or Vodafone currently provide that service – however, limited to selected metropolitan areas. This new rapid service is currently a big trend. According to McKinsey & Company, the market in Western Europe is expected to grow to about 3 billion Euros by 2020. As the examples show, it is not only time-sensitive goods like food or drugs that are delivered on the same day.

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

### 3. CUSTOMER SERVICE AS A COMPETITIVE FACTOR

Many online customers expect flexibility with simultaneous planning security as it is provided by delivery in specific time slots. The delivery of the goods should ideally integrate seamlessly into their daily routine. The parcel should be brought to the customer. 47 million online customers (Source: Destatis, 2016) – that’s 47 million individual delivery patterns, which are affected by many different parameters. Online shops therefore need parcel service providers that are able to perfectly synchronize with customers and their daily routine and needs. The corresponding services and offers already exist.

However, it is still an exception for online shops to give their customers the possibility of determining delivery on a specific day or at a certain time during the checkout process.

But competition in e-commerce is steadily getting tougher. The big online shops and platforms determine the standards – which also in terms of shipment and delivery. Smaller providers therefore have to go along or risk being left behind in the highly competitive market. It is a simple fact that the quality of a web shop is determined not only by usability but also by additional services such as shipping and delivery options.

*The better the service in terms of delivery, the higher the repurchase rate.*

The quality of delivery has a direct impact not only on the entire customer experience, i.e. the positive feeling and happiness when shopping. It is also an

immediate value driver for the online shop.

This is where it is true to say that the faster the delivery, the higher the conversion rate and the lower the cancellation rate. 66 percent of online customers choose retailers on the basis of good delivery conditions. And at least half of all online customers have actually cancelled purchases due to insufficient delivery options. Just as many have chosen a more expensive shop due to better delivery options.



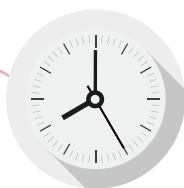
Source: "Delivering Consumer Choice: State of e-Commerce Delivery", MetaPack, 2015

## SIMPLE DELIVERY WITH NO RETURNS

Fast and uncomplicated delivery also decreases the return rate. Because, the faster customers hold their goods in their hands, the lower the risk that they will revoke their purchase decision. According to a survey by the EHI Retail Institute, 44 percent of online retailers are sure that fast shipping is an effective way of reducing the return rate. In fact, according to the study, the speed of delivery is already at a very high level for many companies. Nearly one-third of the polled online retailers want to further optimize their delivery options by 2017 and offer their customers specific time slots for delivery.

**44%**

of online retailers rely on fast shipping to reduce the amount of returns



**31%**

want to offer scheduled delivery in the future

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

The more the delivery of goods adapts to the individual needs of customers, the more satisfied they will be. And satisfied customers will be happy to come back and buy again. For online retailers it is therefore a requirement to make not only shopping easy for their customers but also the receipt of the goods.

The effect of faster and at the same time more individual delivery is that the customer lifetime value rises significantly, and the return on marketing investment increases, as customer acquisition costs are refinanced quicker. So the shop can grow faster, become profitable faster, and also effectively secure market share. "The individualization and expansion of delivery options, in particular the determination of the delivery time, will be the leading topic in e-commerce", believes Dr. Benjamin Rasch, Senior Vice President of Business Customers Parcel, DHL.

*Fast and individual delivery is a business necessity.*

## 4. CONCLUSION

Online shoppers are discerning consumers – especially when it comes to the delivery. A high degree of flexibility and planning certainty is provided by delivery in specific time slots. It is still the exception that customers can already specify a desired delivery time at the checkout of the shop. But more and more retailers want to provide this feature in the future. For good reason. Fast delivery increases customer satisfaction and reduces the return rate. By using the option of scheduled delivery, retailers can customize delivery to the individual needs of their customers. In that way they can create a unique customer experience the basis for sustainable growth.

# DHL – PINPOINT DELIVERY TO YOUR ONLINE CUSTOMERS

When it comes to delivery, your customers also want flexibility as well as planning security. No problem. DHL delivers quickly and reliably – even at set times or on the same day. We transport 3.9 million parcels every day and deliver to more than 44 million households. As an innovation leader in logistics, DHL constantly develops new solutions to make e-commerce even more successful.



## Preferred day

Those who require the ordered goods on a specified date can use the preferred day option to determine the day of the parcel delivery themselves. Customers can also permanently choose a specific day of the week as the delivery day.



## Preferred time

With flexibly scheduled delivery options, your customers can determine when exactly they receive their parcel. They can specify an individual delivery time in two-hour time slots between 10 a.m. and 9 p.m. In the metropolitan areas of over 55 German cities, DHL delivers in time slots between 10 a.m. and 12 noon, 12 noon and 2 p.m., 2 p.m. and 4 p.m., and 4 p.m. and 6 p.m.

And if your customers have a daytime job? DHL also provides delivery in the evening hours between 6 p.m. and 8 p.m., or between 7 p.m. and 9 p.m. nationwide.



## Same day

Whether food, medicine or simply goods that are needed quickly: With same day delivery by DHL, your customers will get their goods on the day of the order. Numerous same day delivery areas already exist throughout Germany and more are constantly being added. We already reach over 30 million people today. In very urgent cases, DHL even delivers within 90 minutes.

At the moment, different Shopsoftware-Plugins and an API-Interface are being developed to integrate individual times of parcel receipt into the ordering process of an online shop. Questions concerning this matter should be directed to: [webshopintegration@deutschepost.de](mailto:webshopintegration@deutschepost.de).

# THE RIGHT DAY, THE RIGHT TIME

How online shops can improve their performance with flexible delivery times

**Published in October 2016**

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

© DHL 2016

DHL Paket GmbH  
Sträßchensweg 10  
53113 Bonn  
Germany  
[www.dhl.de](http://www.dhl.de)