

RETAIL

Product shipment must be transparent and effective

October 5, 2016



Image courtesy of Bloomingdale's for its online shopping

By BRIELLE JAEKEL

Disruptions in the retail industry have shaped superior delivery capabilities, and now consumers are holding brands and retailers responsible for shipping.

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Consumers now expect on-demand services and immediacy when it comes to delivery and online ordering, with one-third of online shoppers reaching out to customer service if their package is a day late, according to OSM Worldwide. The State of Online Shopper Expectations and Actions study showed that many customers will also spread the word with peers after receiving a damaged package, even if their product was intact.

"In general, the key takeaway is that shipping and delivery are critical to the customer experience," said Gaston Curk, CEO of **OSM Worldwide**. "With the rise of online shopping, customers now expect a lot from retailers in terms of quick and seamless order fulfillment, and the perception of these brands is really on the line when something goes wrong during the shipping process.

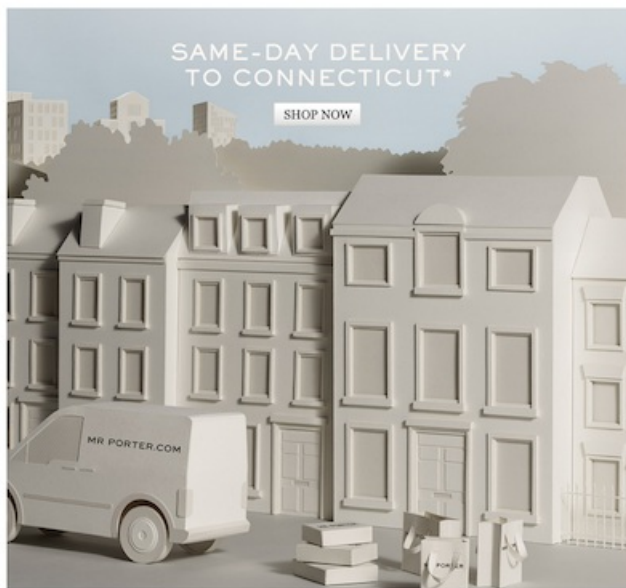
"Our study showed that three-fourths of consumers broadcast their frustration when receiving a damaged package. So we see that order fulfillment has a very real effect on brand image," he said.

Being held accountable

While word-of-mouth has always been a big driver in spreading awareness for brands, social media has brought this notion to a wider scale. Companies are being held accountable for mistakes, mishaps and bad customer service, which means retailers need to up their game.

For instance, 18 percent of consumers are likely to share their frustration with package damage on social media.

MR PORTER



*Select areas include: Greenwich, Darien, Stamford, Norwalk, New Canaan & Westport

Many retailers are adopting same-day delivery programs

Online ordering has now become a seamless transaction for customers, and while it will never replace bricks-and-mortar shopping, it is still a major driver for retail sales. OSM's report showed that 73 percent of consumers who received a damaged box or packaging will complain to friends or family.

However, that number grows to 75 percent when referencing a damaged good or product. Customers that shop more than once or twice a week are more likely to voice their concerns to others when an issue occurs regarding damage.

Speed of delivery is a major factor for online shopping, as the later a product arrives the more likely the customer is to complain or contact customer service. If an item arrives three days late, 79 percent of consumers will take action.

Customers of today are finely attuned to where their packages are and when they will arrive, with more than 10 percent of consumers checking the status of their packages multiple times a day. Right now customers are comfortable tracking orders on email, because that has been the industry norm, but as SMS features with brands are on the rise, text alerts for packages are becoming more popular.

About 21 percent of consumers stay up to date with package shipments via text messages, and three-fourths leverage email and tracking numbers.

Shift in behavior

Panelists at the Financial Times' Business of Luxury Summit in May noted that digital has shifted consumers' purchasing habits, requiring brands to share their story online or risk being left out of the purchase journey.

Whether consumers are trading in visits to the department store beauty counter for consulting friends or researching and purchasing a car without talking to a dealer, ecommerce allows consumers to be more independent. Brands can reinsert themselves in the buying process through an editorial approach, creating a community and engaging consumers with their products ([see more](#)).

In an effort to support this shift, French fashion house Chanel shared the backstories of its most exclusive fragrances with an email campaign and shoppable content page.



Chanel's online shipping deal

Sent specifically to consumers on Chanel's mailing list regarding its beauty and fragrance sector, the email's subject line mentioned "Exclusivity in 14 forms" but did not call out a specific product. This was paired with "complimentary overnight shipping" which may have been the house's attempt to compete with online deals on Cyber Monday Dec. 1, since many luxury brands do not participate ([see more](#)).

"Some retailers might find surprising the speed and frequency at which customers will contact customer service when a package is delayed," said James Kelley, president of OSM Worldwide. "Even when a non-urgent item was just one day late, a third of online shoppers said they'd call up customer service to ask about the late delivery.

"It really goes to show that customers are expecting a certain level of service and in a certain timeframe," he said. "They are not simply placing an order and then putting it out of their mind until it arrives.

"They are really watching the clock so to speak, and they're willing to make contact with the retailer if they believe something's amiss."

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