

RETAIL

Luxury gifters twice as likely to buy with same-day delivery

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Retailers that offer expedited delivery can best reach last-minute shoppers. Image credit: Neiman Marcus

By SARAH JONES

Expedited shipping can win consumers around the holidays and retain them after the gifting season is over, according to a new report from Dropoff.

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Forty-five percent of luxury shoppers have bought a gift that was delivered the same day, 105 percent more than the average consumer. With an increasing portion of consumers identifying as last-minute shoppers, delivery can mean the difference between making and losing a sale.

"Our survey found that luxury shoppers are far more likely to have already purchased gifts and had them delivered same-day," said Sean Spector, CEO of Dropoff, Austin, TX. "In fact, they are 105 percent more likely than non-luxury shoppers to have bought a gift in the last year that was delivered same-day and 115 percent more likely to have paid extra for same-day delivery on a gift.

"Brands and retailers that sell big-ticket items can attract more customers by offering same-day delivery," he said. "Consumers who plan to spend more than \$100 per gift are 26 percent more likely to purchase from retailers that offer same-day delivery."

Dropoff's [report](#) was based on a survey of 2,000 U.S. adults who said yes to the question, "Do you ever purchase gifts that need to be delivered?"

Delivery differentiation

More consumers expect to do last minute shopping ahead of the holidays this year. Seventy-seven percent plan to make final purchases close to the holiday, an increase of 15 percent from 2017.

Accordingly, nine in 10 consumers are concerned about gifts arriving on time for the holidays, and their shopping behavior reflects this priority.

Thirty-one percent of shoppers have bought a gift with same-day delivery, and 51 percent say they are more apt to buy with a retailer that offers the service. Last minute shoppers are 78 percent more likely to have sought out same-day shipping.

Along with luxury buyers, millennials are 118 percent more likely than the average to have paid more to get same-day shipping.



Luxury consumers and millennials are more apt to seek speedy shipping. Image credit: Net-A-Porter

Additionally, about two-thirds of consumers say they have abandoned a cart due to slow delivery estimates. This figure was up 16 percent from 2017, showing shoppers are increasingly demanding fast shipping.

For retailers that get it right, speedy shipping can create loyal customers. Three-quarters of consumers say they would order again from an online store that got a package to them within the same day.

Eighty-five percent of consumers are also apt to buy again from a retailer and recommend it to others if they can track their package in real time.

However, retailers that fail to deliver can lose repeat business, as the majority of consumers believe it reflects poorly on the retailer if a package arrives late or damaged.

"Ninety-eight percent of holiday shoppers will purchase a gift that requires delivery this holiday season," Mr. Spector said. "And a majority of U.S. consumers prefer to shop for gifts online compared to in-store or a mix of both, which goes to show that omnichannel investments by retailers remain essential."

"Consumers that prefer online shopping and can pick-up their order in-store or receive same-day delivery are likely to bring retailers new customers through word of mouth," he said. "They are 39 percent more likely to recommend a retailer to others after purchasing a gift that is delivered same-day and 38 percent more likely to purchase from a retailer again after experiencing same-day delivery."

"Online shoppers are an influential force in holiday shopping, and offering same-day delivery can drive brand loyalty and future purchases."

Holiday prep

Deloitte's holiday retail forecast from 2017 found that affluent individuals whose net worth exceeds \$100,000 planned to do 57 percent of their holiday shopping online and 39 percent in store.

Gifting is not the only spending that will be occurring during the holiday season, as half of consumers say they will shop for themselves while shopping for others this year.

Consumers want to be able to shop close to Christmas Day and still receive free shipping, after Dec. 17 specifically. More than 72 percent of those surveyed say they will take advantage of free shipping, with 88 percent saying free shipping is more important than fast shipping ([see story](#)).

Luxury consumers continue to become accustomed to top-of-the-line service at every stage of a purchase, requiring retailers and brands to make sure their shipping experiences are on-par with the rest of the supply chain.

According to a new report from YouGov, commissioned by Infor, 78 percent of consumers want to receive status updates on their purchases as they are being prepared and delivered. Not only that, but many of those consumers are

willing to switch brands and not make future purchases if those expectations are not met ([see story](#)).

"Offering same-day delivery during the busy holiday season provides shoppers with the ultimate convenience and can leave a lasting impression," Dropoff's Mr. Spector said.

"Consumers who plan to spend more than \$100 per gift this holiday season are 42 percent more likely to find same-day delivery to be particularly valuable when purchasing gifts compared to shoppers planning to spend less than \$100 per gift," he said. "And they're 26% more likely to purchase from a retailer that offers same-day delivery again in the future.

"There's huge potential to drive ROI during the holiday season and beyond by offering same-day delivery."

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