ShipStation®

Exploring the nuances in ecommerce

How to leverage personalisation to drive customer loyalty

AUCTANE

ABOUT AUCTANE

This research was conducted by Auctane, a family of brands offering shipping and logistics technologies. Auctane products serve businesses of all sizes all around the world, from small businesses right through to enterprise retailers. No matter the size, we help online sellers around the world with their mailing, shipping and logistics needs. Each year, 3 billion orders are processed using Auctane products.

Great shipping experiences leave a lasting impact. Today's consumers want faster, cheaper, and more transparent shipping practices, and they favour businesses that rise to the occasion. We won't rest until every company has the tools they need to delight their customers, whether down the street or across the globe.

THE AUCTANE FAMILY OF PRODUCTS

METAPACK

Packlink®
Simply Shipping

ShipStation®

{⚙}SHIPENGINE®

🌐GlobalPost™

stamps.com

endicia®

❖shipsi

shipping easy

ShipWorks

INDEX

METHODOLOGY

Consumer and online merchant surveys were undertaken in March 2023 and include answers from a sample of respectively more than 3,000 nationally representative consumers and 600 representative online merchants across the UK, Germany, France, Spain, Italy and Australia.

TOTAL
Participants

3,600+

UK
Germany
France

Spain
Italy
Australia

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INTRODUCTION

Ecommerce has been under a lot of pressure these past few years, and as it occurs in most cases, this turbulent period has resulted in many changes and evolution. After both Covid and the recession shook the retail status quo, the sector seems to be getting back to a more settled phase. Brick-and-mortar stores have been back in the mix for some time now, retailers have adapted their business with recession-proof strategies and through these changes, consumer behaviour has also evolved. For online merchants, it's now the perfect time to look into the multiple initiatives at their disposal to perfect their business strategy at every step of the funnel and boost growth.
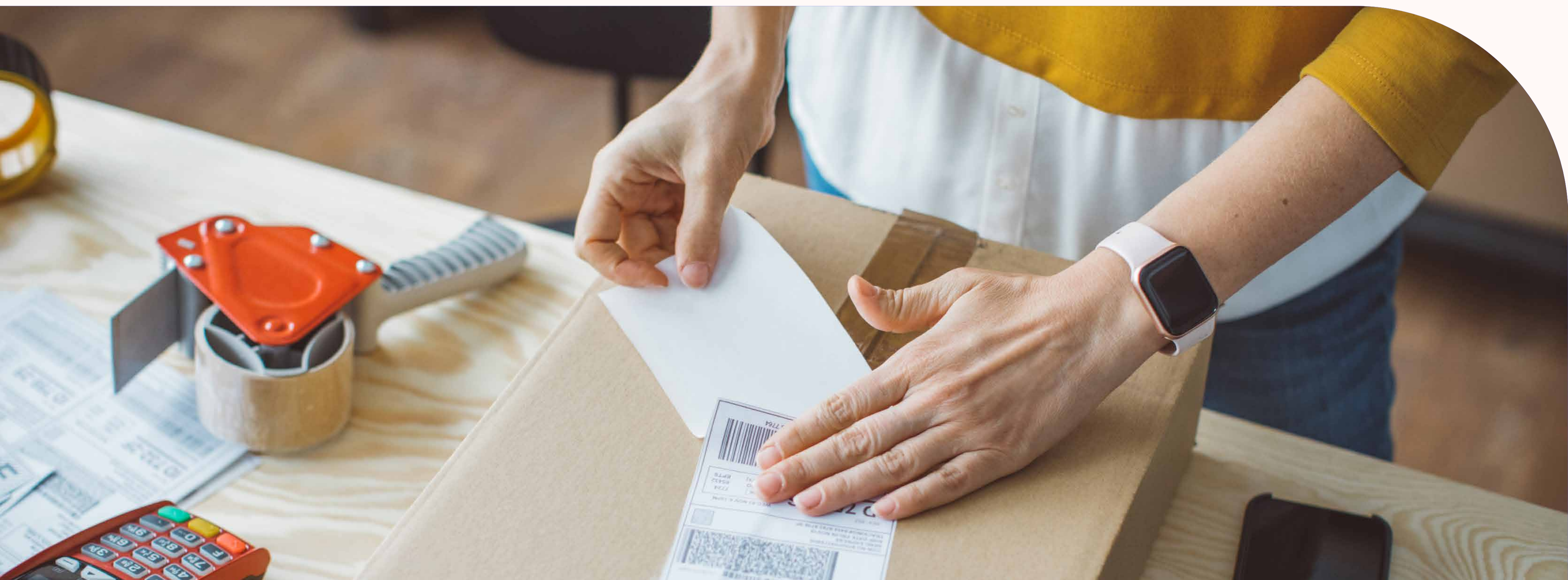
With more merchants selling online than ever before, it's harder for businesses to stand out and catch the attention of demanding consumers, while also looking to turn these consumers into repeat customers. This heightened competition in ecommerce means it's critical to ensure your strategy is optimised from all angles.

From top to bottom, acquisition to retention – **every step of the buyer journey should be identified to strive for success.** And which business owner isn't aiming to succeed?

Learn how to acquire customers and keep them coming back for more with this guide. Compiling our research and extensive expertise, this guide will become a vital element of your ecommerce toolkit for the months and years ahead – clearly detailing how you can:

- **Understand what customers really need**
- **Identify the small nuances that make a big difference**
- **Become more efficient by focusing on what truly matters**
- **Create an effective strategy for every stage of the consumer journey**

Ready to level up your customer experience? **Join us as we break down the funnel, delivering real insights and tools along the way**. Whether you're running an Etsy store in your spare time or managing retail for a major international brand, there are always steps to take.
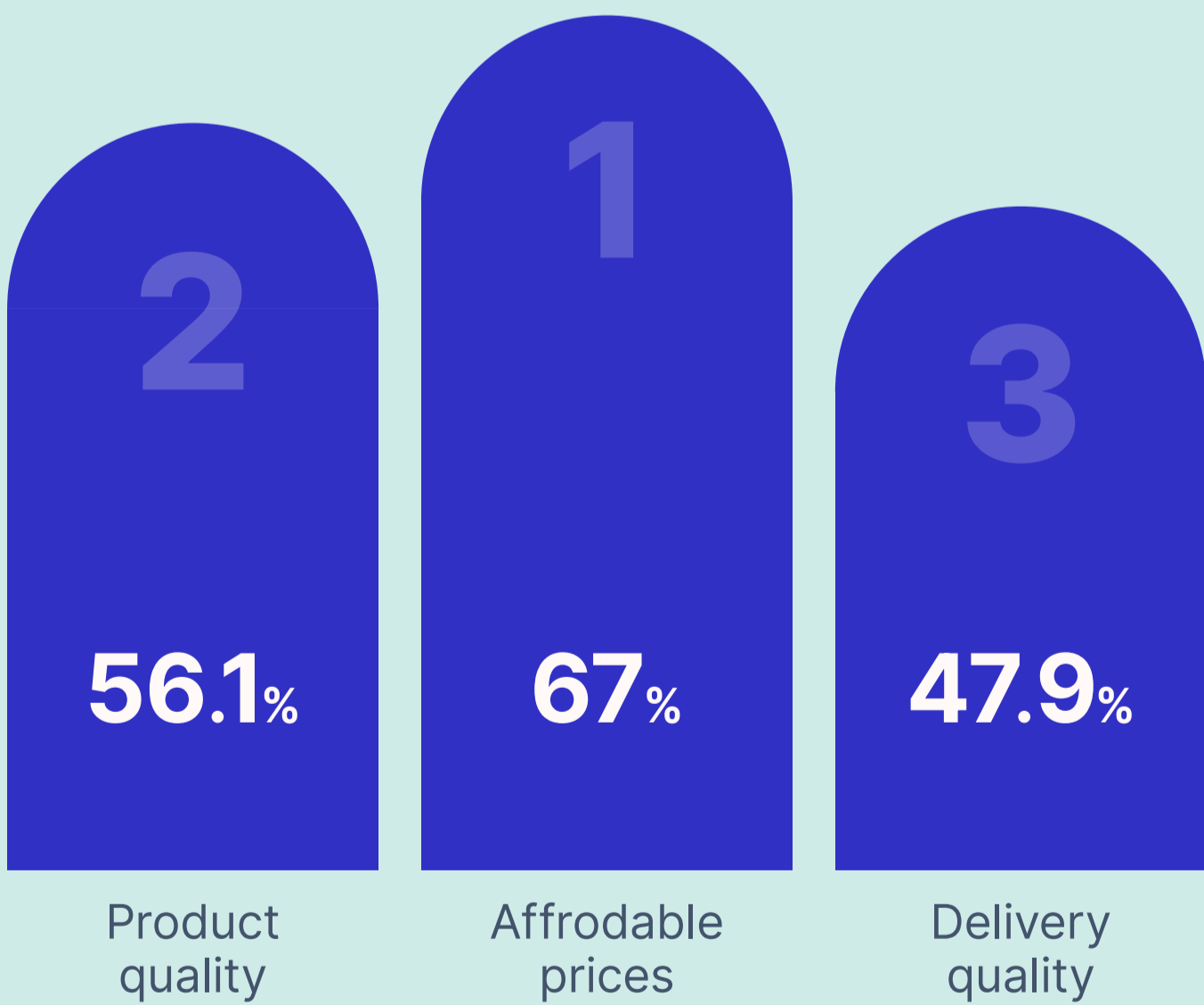
KEY FINDINGS

ACQUISITION

Marketplaces: the most popular channel to buy online

Brand's Website
26.9%

Social Media
3.3%

Brand's App
13.9%

Marketplaces
55.5%

63%

12%

23%

Both | Online | In-store

63% shop both online and offline

CONVERSION

84% likely to abandon their cart due to a lack of delivery options at checkout

RETENTION

77% of consumers still prefer home delivery

2
56.1%
Product quality

1
67%
Affrodable prices

3
47.9%
Delivery quality

Delivery experience is the 3rd customer loyalty driver

BEYOND

52% resell old items on third party platforms

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THE STATE OF PLAY

There's always lots of talk about ecommerce and what works. But some talking points have become so popular that they're now trends, and it's important that they're providing your business with the correct advice to grow.

While it can seem harmless to follow what others say, sowing the wrong seeds can cause countless problems down the line. Anecdotal evidence has some value but the market and consumers data are more reliable sources of information to base decisions on – there are discrepancies between what we may think is the status quo vs what the data says.

CURRENT ECOMMERCE TRENDS

What people say: *In-store retail is dying.*

What the data says:

An overwhelming majority of consumers have a varied buying experience, shopping both online and in-store. Across all the markets surveyed, our research shows that almost two-thirds of consumers (63.4%) shop online and offline.

Ecommerce is not exclusive. Instead, the key is finding a balance between your online and offline strategies.

Rather than going all-in on a single channel, it's worth considering how to ensure continuity between your online and in-store shopping experiences - using each channel to enhance the other's experience, where applicable.

One way to achieve this is by leveraging your physical stores and offering click-and-collect options on your ecommerce site. This not only increases the delivery options available to your consumers but also presents a sustainable alternative that drives footfall to your stores.
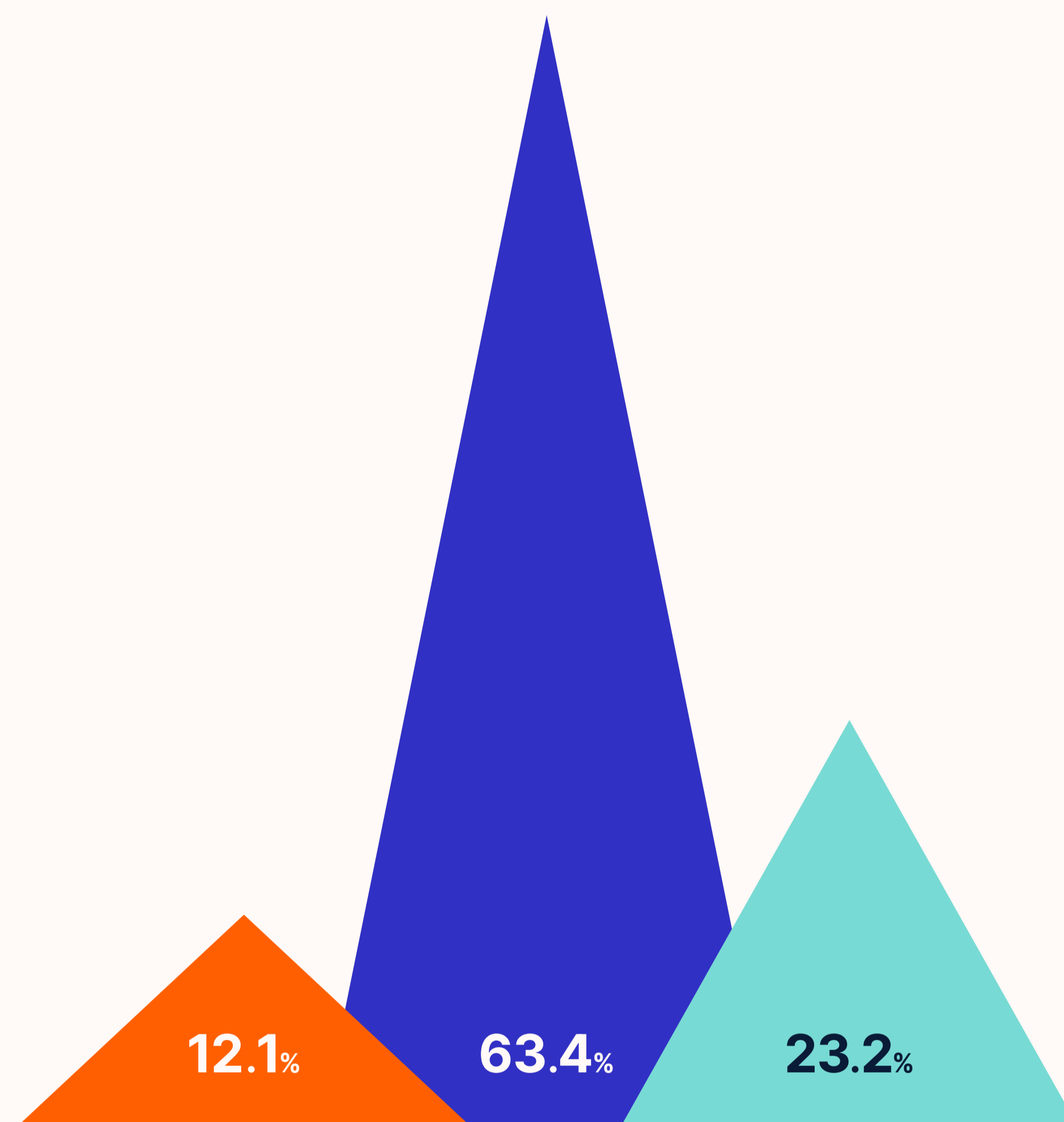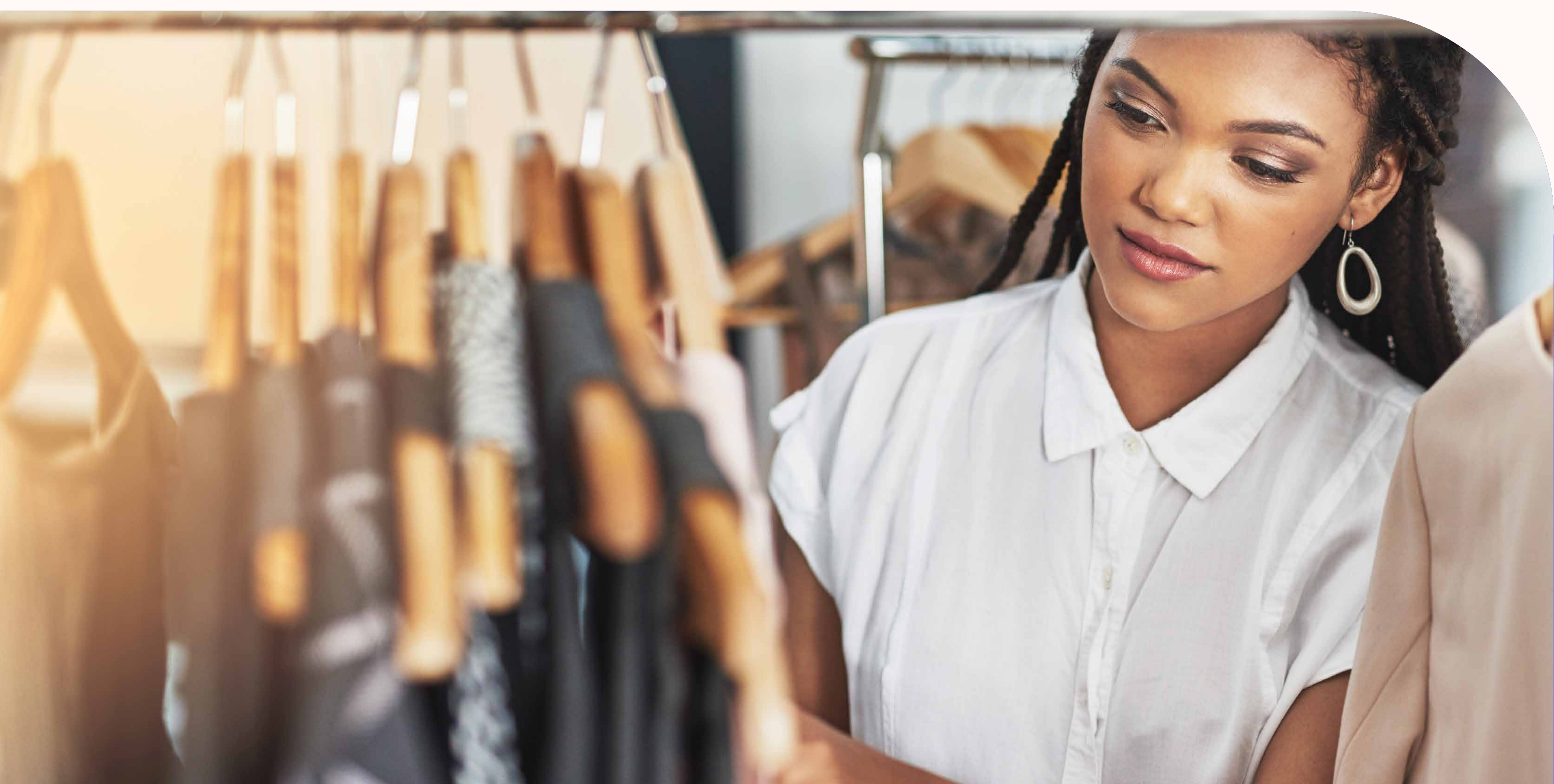

Fig 1: Online and in-store buying distribution

- 🔴 Online
- 🟢 In-store
- 🔵 Both online + Instore

12.1%   63.4%   23.2%

What people say: *You* must *be on social media if you want to engage with prospective customers and eventually sell to them.*

What the data says:

Research illustrates that most consumers prefer to buy online from marketplaces, far more than from social media. In fact, a brand's mobile app and website rank above social media too. While our merchant survey highlighted that across all the markets, almost 24% of businesses are selling on social media, this is at odds with the findings from our consumer survey.

With that in mind, it's worthwhile to focus on marketplaces and optimising your presence and positioning there. Social media undoubtedly helps with brand awareness, but it's not where most consumers are most likely to buy products.
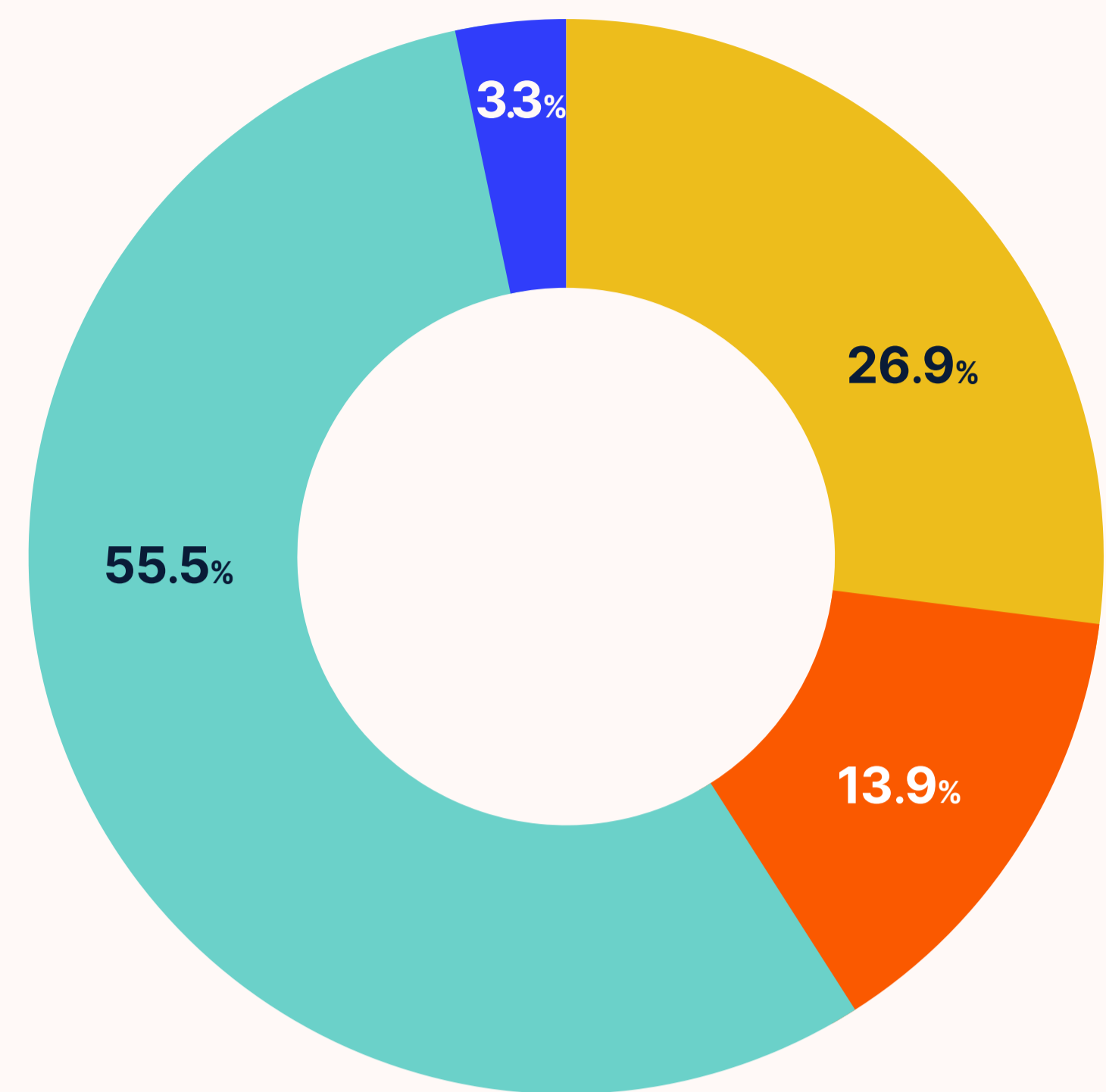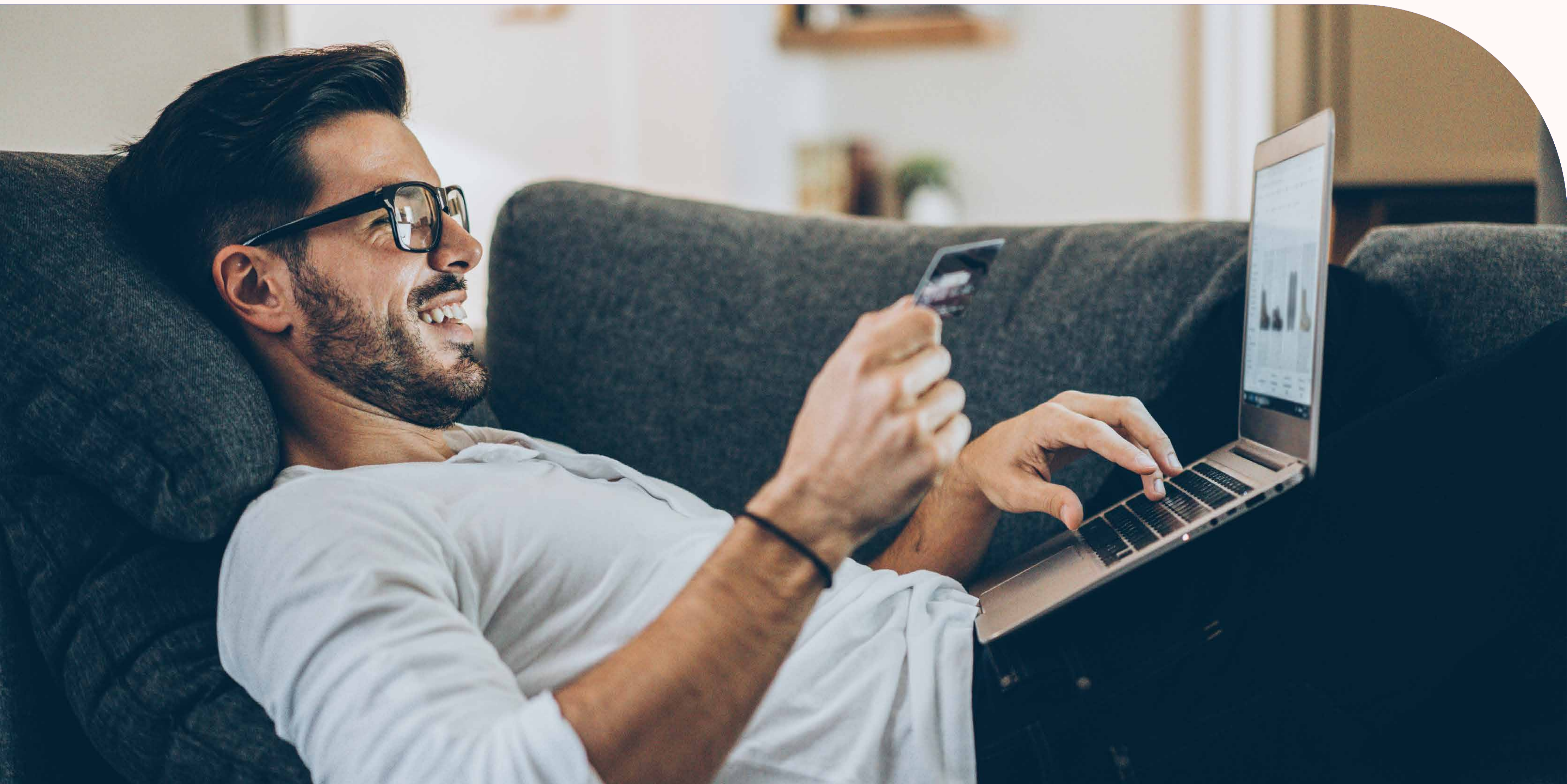
Fig 2: Consumers preferred channels to buy online

- Brand's website — 26.9%
- Brand's app — 13.9%
- Marketplaces — 55.5%
- Social media — 3.3%

What people say: *A good delivery experience is a 'nice to have'.*

What the data says:

Our studies show that delivery experience is a key factor in driving customer loyalty, alongside affordable prices and having top-quality products. To be precise, our study shows that **almost 78% of consumers are highly unlikely or not very likely to buy again from a brand following a negative delivery experience.**

Providing a smooth experience shouldn't stop once the customer has clicked 'order'. In France, three in four people stated they're unlikely to return to a brand if the delivery didn't go well.

Thankfully, creating effortless delivery experiences is what we do. Our products – which serve clients of every size and scale – can centralise and scale your logistics, streamline how you dispatch products to improve delivery performance and create tracking experiences that increase consumer satisfaction.

What people say: *Home delivery is declining in popularity*

What the data says:

While there may well be a rise in popularity for PUDO (Pick up Drop Off), **a crushing majority of consumers still prefer home delivery**, with 77.3% of people wanting their products delivered straight to where they live.

Pick-up points are worth paying attention to, with 13.5% of global consumers preferring that delivery method – it's particularly popular in France, where
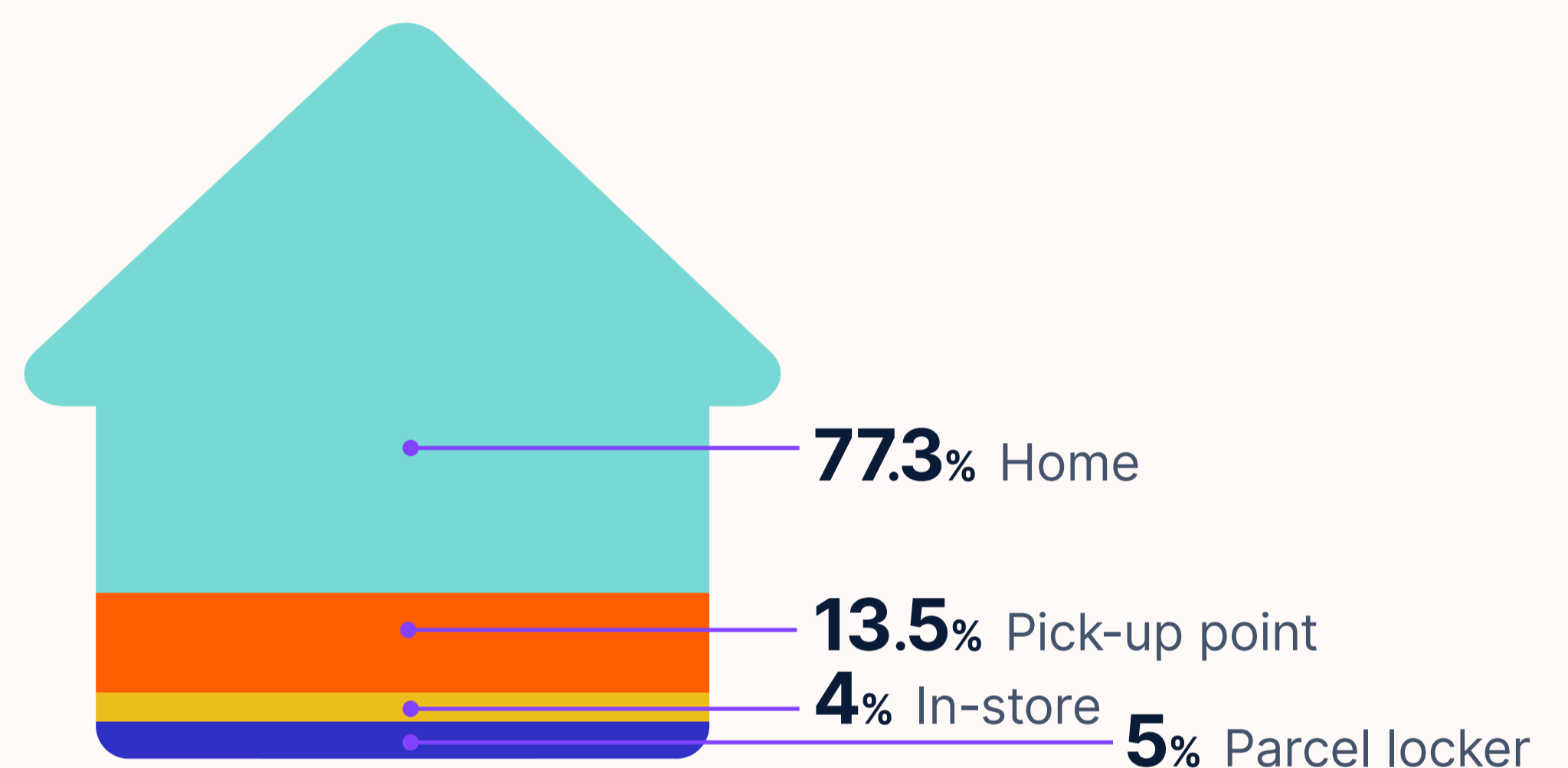
77.3% Home

13.5% Pick-up point

4% In-store

5% Parcel locker

Fig 3: Consumers preferred delivery destination

We have solutions for every delivery format:

Packlink® PRO
Simply Shipping

The premier online shipping solution for smaller sellers in Europe

ShipStation®

The leading web-based order management and shipping software

METAPACK

Best-in-class provider of ecommerce delivery technology to enterprise businesses

{⚙} SHIPENGINE®

The API shipping software of choice for marketplaces, 3PLs and ecommerce merchants

ACHIEVING THE ULTIMATE ONLINE SHOPPING EXPERIENCE

To provide the ultimate shopping experience, you need to know what shoppers like and are looking for.

There are nuances in specific countries and in customer segments, so it's important to know to whom you're selling. Gathering data (with consent) is key to understanding who people are and what they're looking for, which in turn enables you to personalise your offering and marketing – as well as retention efforts for maximum efficiency.

Understanding your prospective customers – including that they will often take a hybrid approach to finding and buying products (63.4% of people, to be exact) will inform how to acquire, convert, and retain.
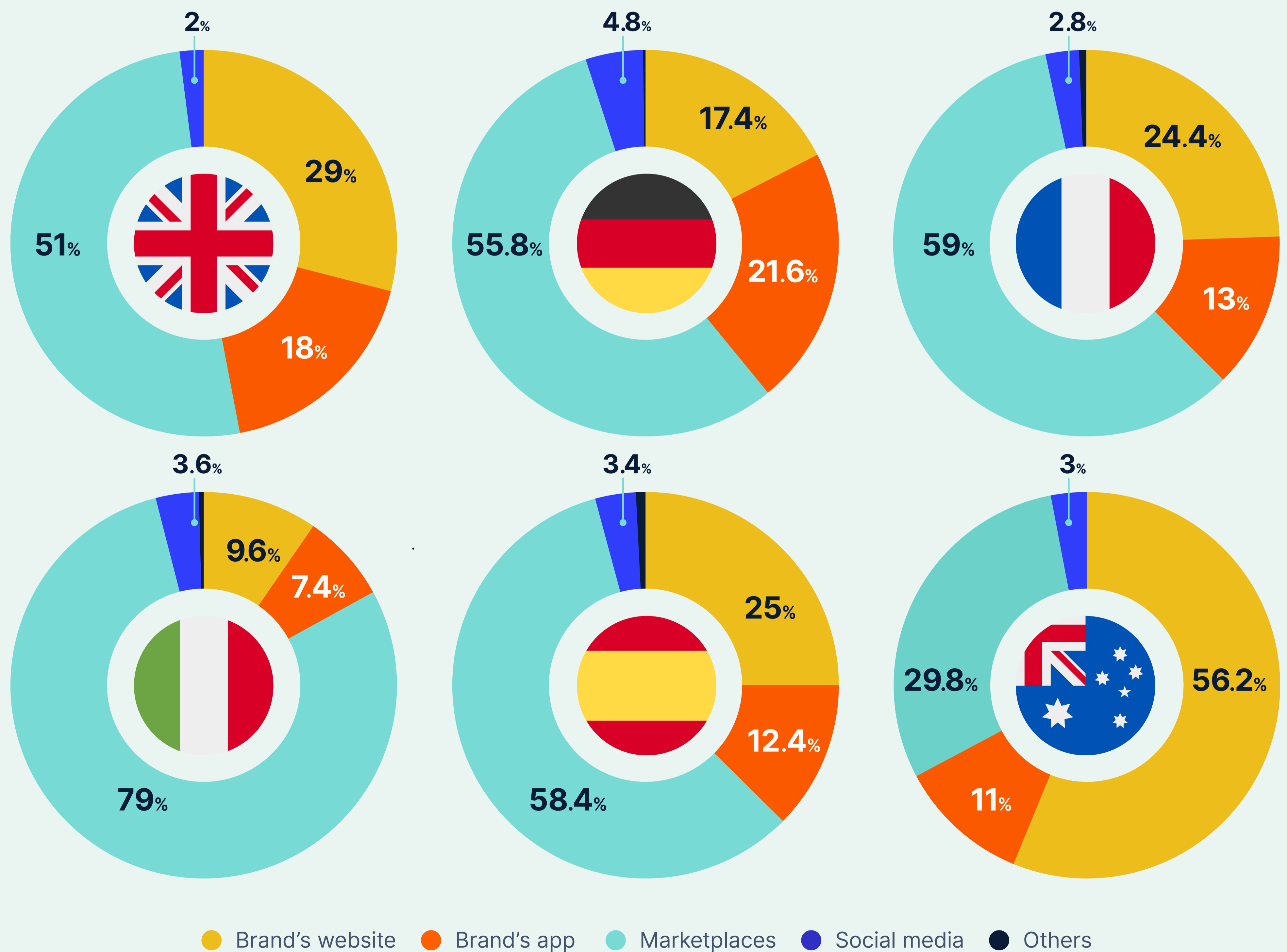
STRATEGIES FOR ACQUISITION

While there isn't an ultimate blueprint for acquiring new customers, our research certainly highlights areas that can help you to sharpen your strategy.

As per our data, omnichannel shoppers are most prominent in the United Kingdom (74.8%) and Australia (73.1%). Germany, however, ranks the lowest, with just 49.2% of people being omnichannel consumers – but almost half of shoppers using both mediums is still a significant amount. It's more than enough to be thoughtful

about how your brand's offering and experience translates in-person to online (and vice versa).

To acquire new customers, look no further than trusty marketplaces like Amazon and Etsy. They may be losing favour with some buyer demographics, but that's still where most shoppers buy and browse online. **Marketplaces are**, generally, still **more popular than brand-specific ecommerce stores and mobile apps too.** Social commerce is yet to take off in countries like Australia and Germany.

Fig 4. Online shopping channel preference per country

Legend:
- ● Brand's website
- ● Brand's app
- ● Marketplaces
- ● Social media
- ● Others

United Kingdom: 2%, 29%, 18%, 51%

Germany: 4.8%, 17.4%, 21.6%, 55.8%

France: 2.8%, 24.4%, 13%, 59%

Italy: 3.6%, 9.6%, 7.4%, 79%

Spain: 3.4%, 25%, 12.4%, 58.4%

Australia: 3%, 56.2%, 11%, 29.8%

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Whether you're a small merchant or an enterprise seller, **ShipStation**, **Packlink** and **ShipEngine** enable you to connect to your preferred marketplaces with ease. We handle fulfilment needs and allow you to focus on your main objective: growing your business.

Recommerce is an old trend that's emerged once again in recent years, and now it's a booming industry in its own right. It's the act of reselling old and unwanted items on third-party platforms, such as eBay and Depop, and brands like PrettyLittleThing and IKEA are experimenting in that realm.

Across the markets surveyed, **52% of consumers in our research have been known to resell their unwanted goods** on such platforms – this ranks only behind donations when it comes to parting with old or unneeded items.

Its re-emergence is intriguing considering the products aren't brand-new or, in some cases, in top condition. Regardless, more people are turning to resale platforms to both buy and sell – illustrating that product quality isn't the main consideration when shopping, either in-store or online. There's no doubt that the sustainable aspect of recommerce is a factor in its boom, as younger generations show care and consideration towards the environmental impact of their retail habits.

11.2% of consumers return items to sellers, while 21.6% throw items away. It's clear here that recommerce is only growing, so consider incorporating second-hand and unwanted items into your commerce strategy. To do that, you need to think about the delivery needs of customers, as well as the requirements and optimum method of selling on these specific third-party platforms.

Streamline onboarding and expand your business across hundreds of marketplaces

Selling on marketplaces is a driving force acquiring new customers and expanding revenue through new channels. But the onboarding process can be time-consuming and costly. Mirakl Connect for sellers addresses these challenges, enabling sellers to sell across hundreds of Mirakl-powered marketplaces with FastTrack Onboarding.

FastTrack Onboarding provides flexible solutions to streamline onboarding, regardless of seller size or experience, and with just one flow, sellers can replicate the process for hundreds of marketplaces. With a tag on their profile, sellers completing FastTrack Onboarding can onboard quickly to marketplaces, giving them an advantage. With access to hundreds of global marketplace channels, sellers can easily surface marketplaces that fit their business strategy and growth goals. With pre-integrated partners like Shipstation, sellers can automate shipping and fulfillment, and use the Customer Care Dashboard to manage customer care messages centrally, boosting satisfaction.

FastTrack Onboarding allows sellers to replicate the process for hundreds of marketplaces. With a tag on their profile, sellers completing FastTrack Onboarding can onboard quickly to marketplaces, giving them an advantage. With access to hundreds of global marketplace channels, sellers can easily surface marketplaces that fit their business strategy and growth goals.

THE KEYS TO CONVERSION

When discussing conversion, it's important to note the industries and categories at play. Specific types of personas and customers have their own nuances. Our data shows which categories are most popular – this can be perceived as where you can find the most prospective customers to try to convert.

As per our data, the most popular categories in ecommerce rank as shown in Fig 5.

Whether you're in apparel, DIY or any category, the **data illustrates that there are countless opportunities to build a successful ecommerce business - one of which is optimising product shipping.**

While delivery can sometimes be an afterthought as businesses see receiving orders as a primary metric of success, neglecting to consider your shipping processes and experience will negatively impact customer loyalty – and may even prevent orders altogether.

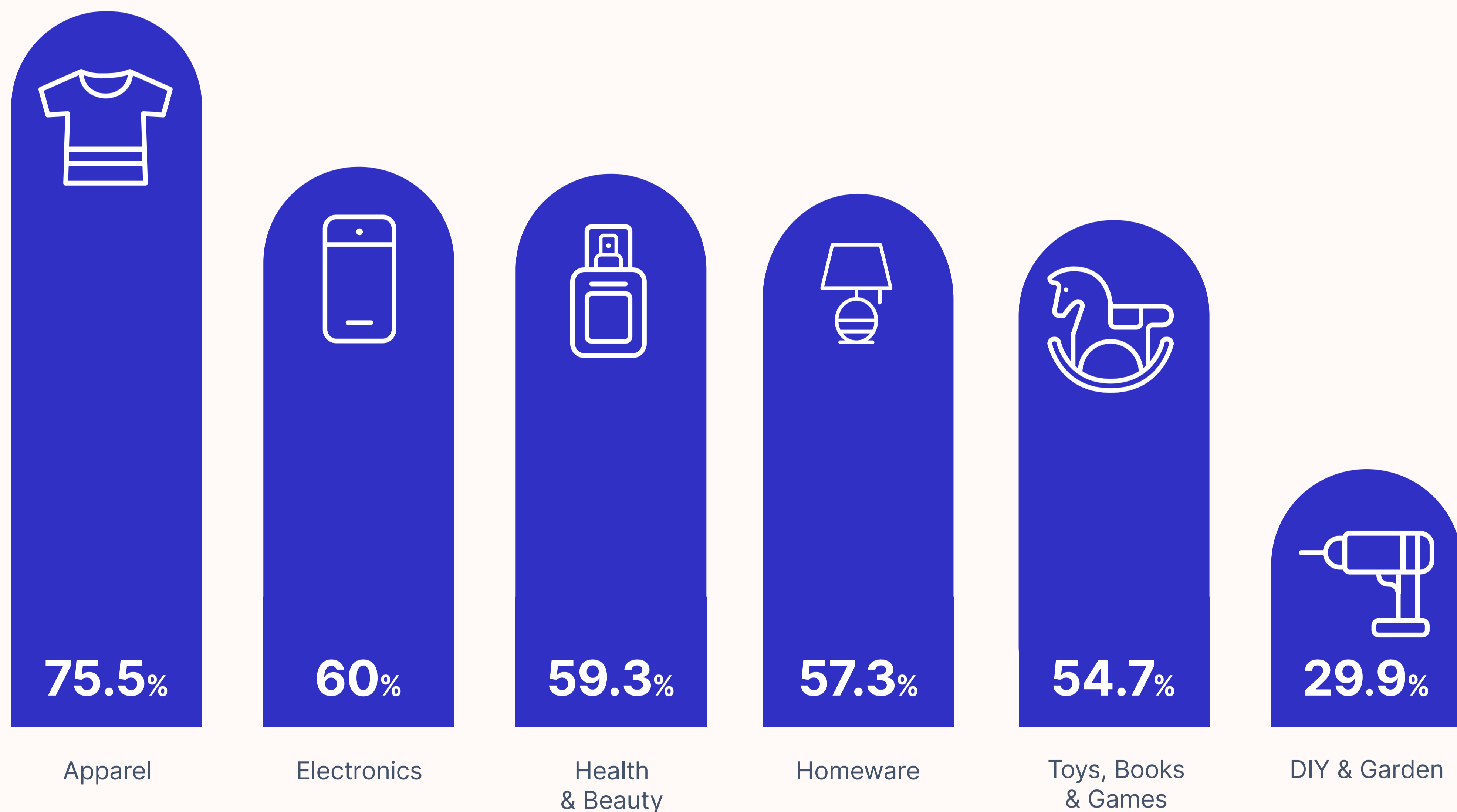| Apparel	Electronics	Health & Beauty	Homeware	Toys, Books & Games	DIY & Garden
75.5%	60%	59.3%	57.3%	54.7%	29.9%

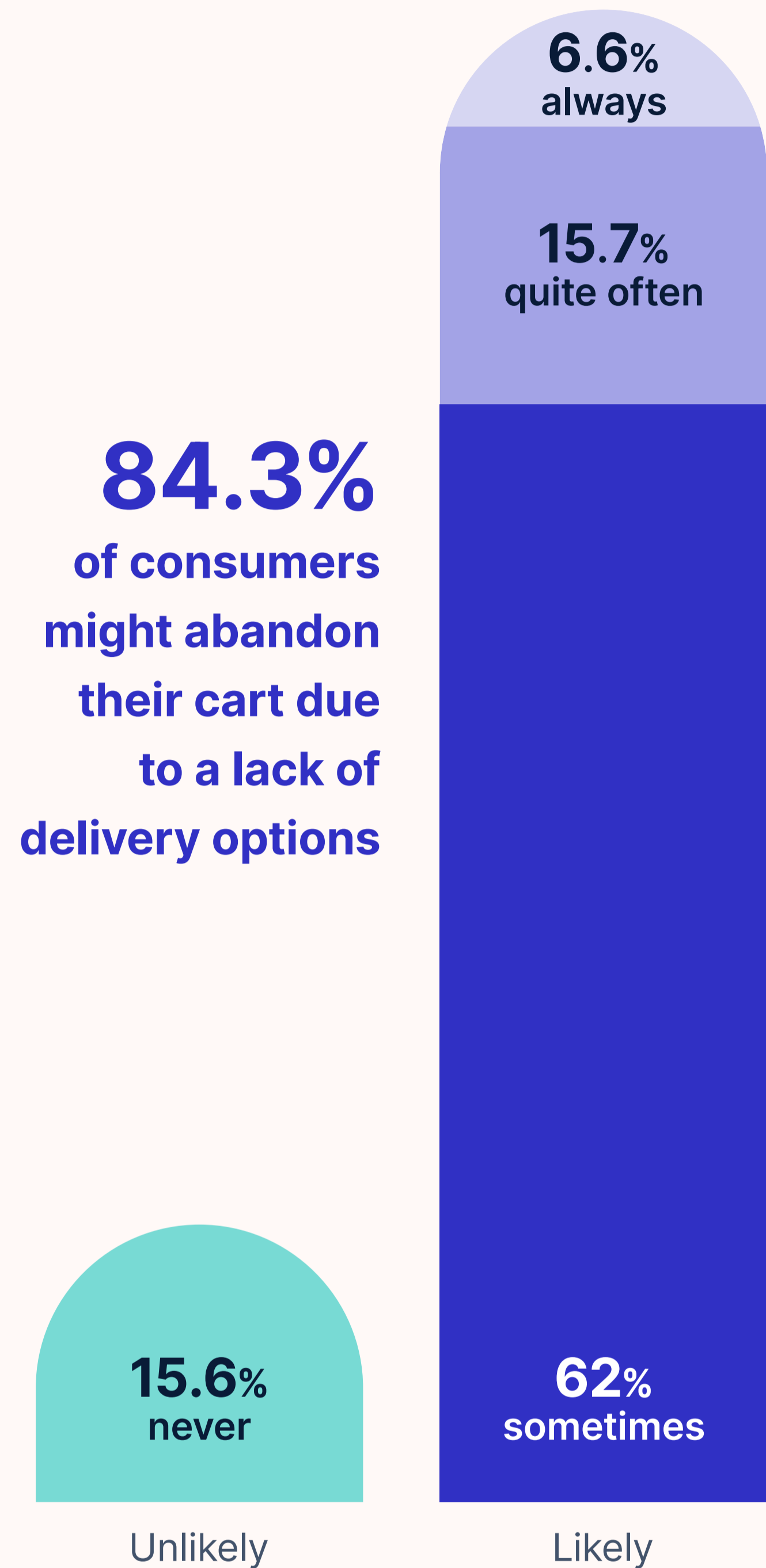**Fig 5: Top categories purchased online**

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Delivery options significantly impact cart abandonment, which means that you could be missing out on conversions if your delivery offering doesn't meet shoppers' criteria.

Our research shows that 22% of consumers will either quite often or always abandon their cart if their preferred delivery option can't be found at checkout. Put another way, almost one in four people could eventually move on to one of your competitors. In contrast, across the markets surveyed, over 25% of merchants believe a lack of delivery options offered at the checkout 'never' prevents consumers from finalising their purchase. Placing emphasis on bolstering your shipping, in theory, could be a quick fix that boosts your conversion rate – and profits – to a high degree.

Concentrating on offering a varied array of delivery options is essential. **Our study shows that 84% of consumers are prone to abandoning their cart if their delivery preferences aren't available.**

Ensure you provide multiple carriers, numerous delivery options such as home and PUDO, and that your returns policy is clear and fair. While delivery costs and choice may be a small element of an extremely profitable order, unaccommodating shipping choices may make all the difference for those on your website.

Fig 6: Cart abandonment likeliness due to a lack of delivery options

6.6% always

15.7% quite often

84.3%
of consumers might abandon their cart due to a lack of delivery options

15.6% never

62% sometimes

Unlikely

Likely

For large-scale businesses, Metapack should be considered as part of your solution. Improve your consumer ecommerce experience and increase conversions by offering convenient delivery options with accurate delivery dates calculated using real-time data, across hundreds of carriers and thousands of services.

THE MUSTS OF RETENTION

Customer retention is a major consideration for most retailers, and rightfully so. While it's wonderful to acquire new business, the real magic is bringing these customers back time and again with minimal effort. So, what are the important factors in retention?

Data from our study emphasises how important the delivery quality is for customers, with 48% of consumers ranking it as one of their top reasons to regularly buy online from the same brand. In other words, repeat business hinges on quality delivery processes for almost half of shoppers.

However, there are clearly some discrepancies between merchants and consumers when it comes to driving loyalty, especially as affordable prices rank high for consumers but not for merchants, and customer service is a lower priority for consumers and ranks high for merchants.

Additionally, our data show that loyalty programs actually have very little effect on customer loyalty, despite that being the main purpose of such initiatives.

We see how essential it is for online sellers to invest in what really matters to consumers, as **just one bad delivery experience drastically increases the probability of losing custom.**

Businesses would benefit from offering a host of delivery options (including home delivery and pick-up capabilities), packaging parcels securely and without waste where possible, clear communication throughout the shipping process, and providing a fair and simple returns process.

Fig 7: Top 3 customer loyalty drivers according to consumers

2	1	3
56.1%	**67**%	**47.9**%
Product quality	Affrodable prices	Delivery quality
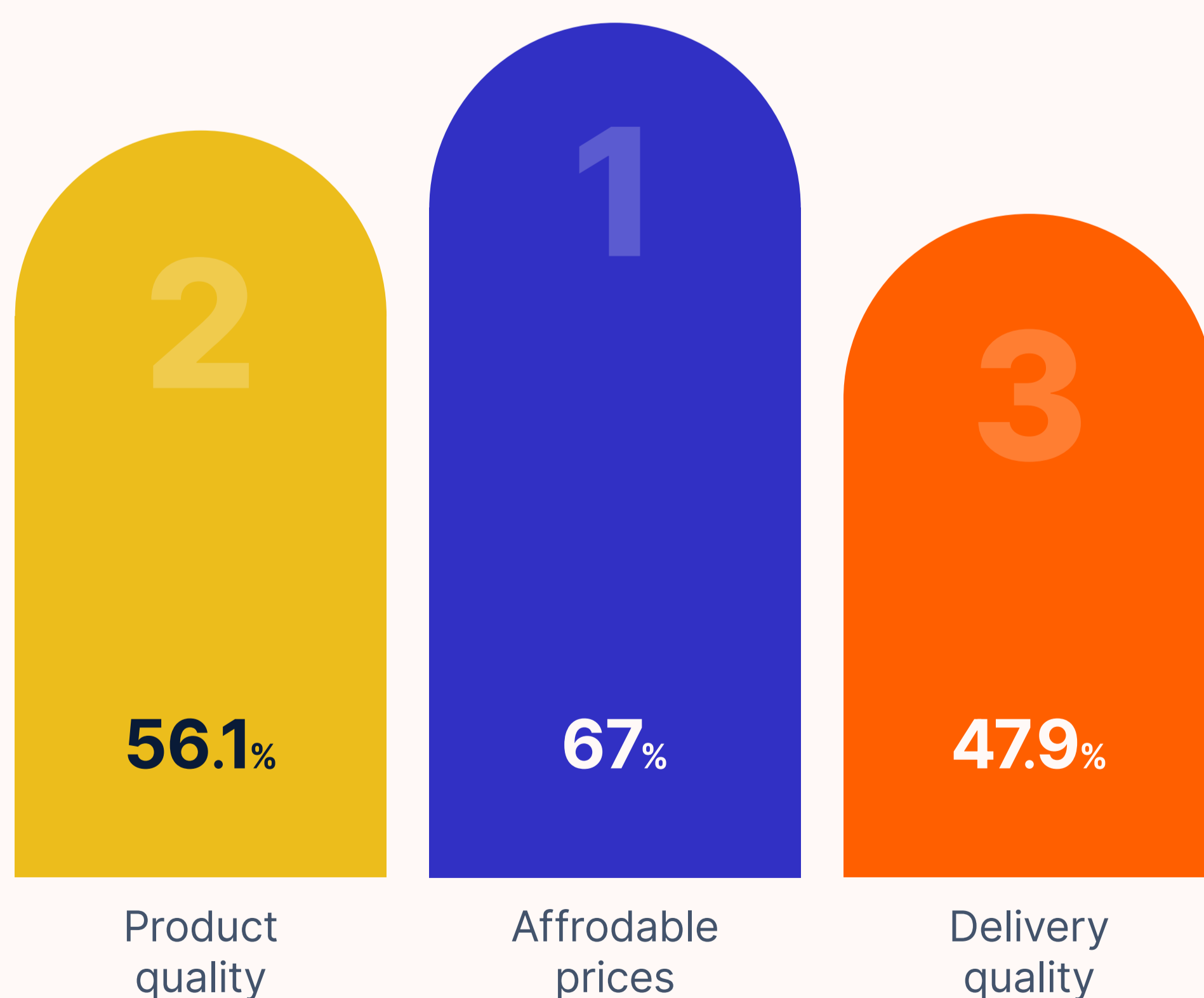
In recent years, we have seen an increase in online purchases, with this surge also comes higher expectations for retailers and their delivery partners to provide a seamless, fast, and transparent parcel delivery journey in order to attract and retain customers. Having the right delivery partner is imperative in achieving this.

amazon shipping

The quality of delivery hinges on several factors. **High shipping costs are the top factor making consumers less likely to shop with a brand in the future.** Additionally, the perceived care given to their order is also an element of high interest for consumers, as damaged packaging and lost parcels rank respectively as the second and third reason not to come back to a brand. (Fig 8)

While the main loyalty trends are globally shared across the markets surveyed, it's important to look more closely to each audience.

Our research shows that over three-quarters of consumers are unlikely to buy again from a brand after a negative experience in the UK and France, but it varies in other countries: four in five Australian, Italian and Spanish consumers are significantly impacted by negative delivery experiences, whereas German customers are slightly more forgiving.

Keeping your customers informed during the delivery process is vital to consumer retention. ShipEngine and Metapack enable you to provide enhanced tracking experiences. Notify your customers every step of the way to reduce 'Where is my order?' (WISMO) contact, drive traffic back through your selling channels to increase upsell and access tracking data to empower your customer service teams so they can proactively resolve customer queries.

Fig 8: Top delivery quality detractors

2 — **50.8%** — Damaged package

1 — **62%** — High shipping costs

3 — **40.6%** — Lost package

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NUANCES YOU SHOULD KNOW

It's important to know your market if you're to create an effective sales funnel. Here's a quick breakdown of the largest nuances of many of the world's major retail countries.

UNITED KINGDOM

- **Channel preference:** 51% prefer to buy on marketplaces

- **Likeliness to shop again with a brand:** high shipping costs is the top factor of influence when discarding a brand

- ★ **Top category:** Health & Beauty ranks as the most popular online category, contrary to other markets where Apparel leads
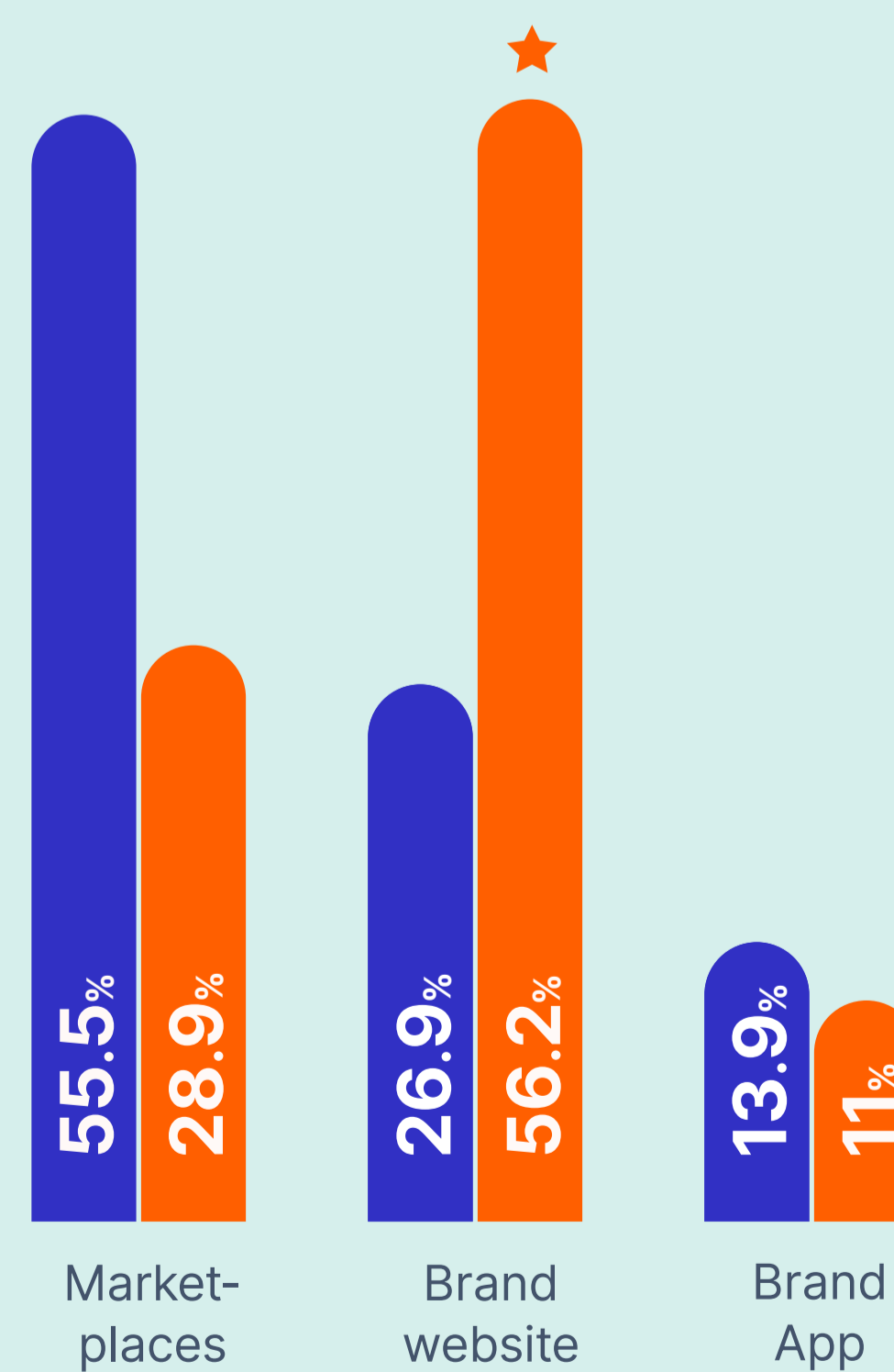
| Category	Average	UK
Apparel	75.5%	59.5%
Electronics	60%	64.5%
Health & Beauty	59.3%	69.5% ★
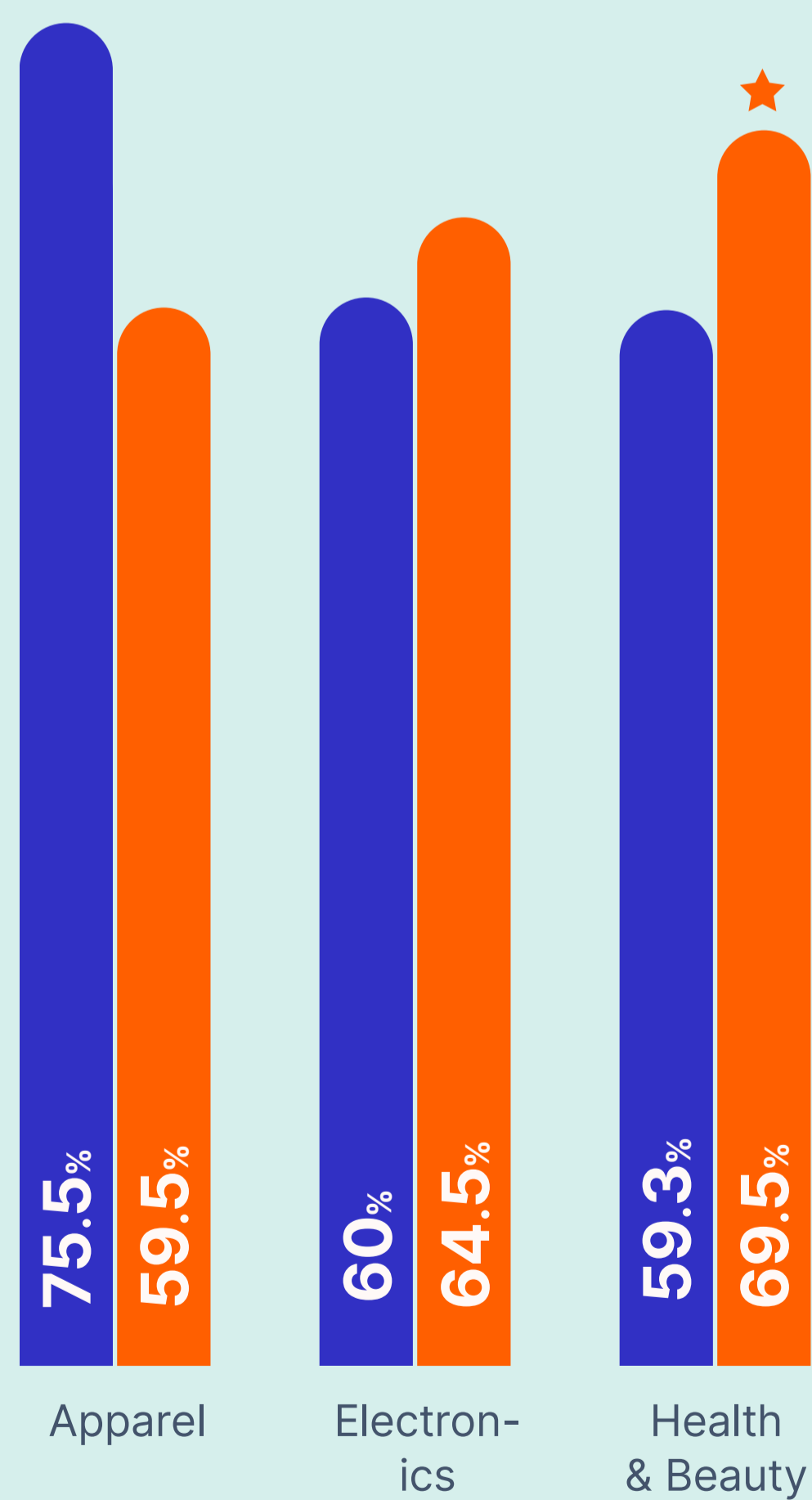
● Average ● UK

AUSTRALIA

- **Delivery options:** 90.2% will consider abandoning their cart due to a lack of delivery options

- **Loyalty driver:** regular discounts rank third behind affordable prices and product quality

- ★ **Channel preference:** a brand's website is the top choice to buy online
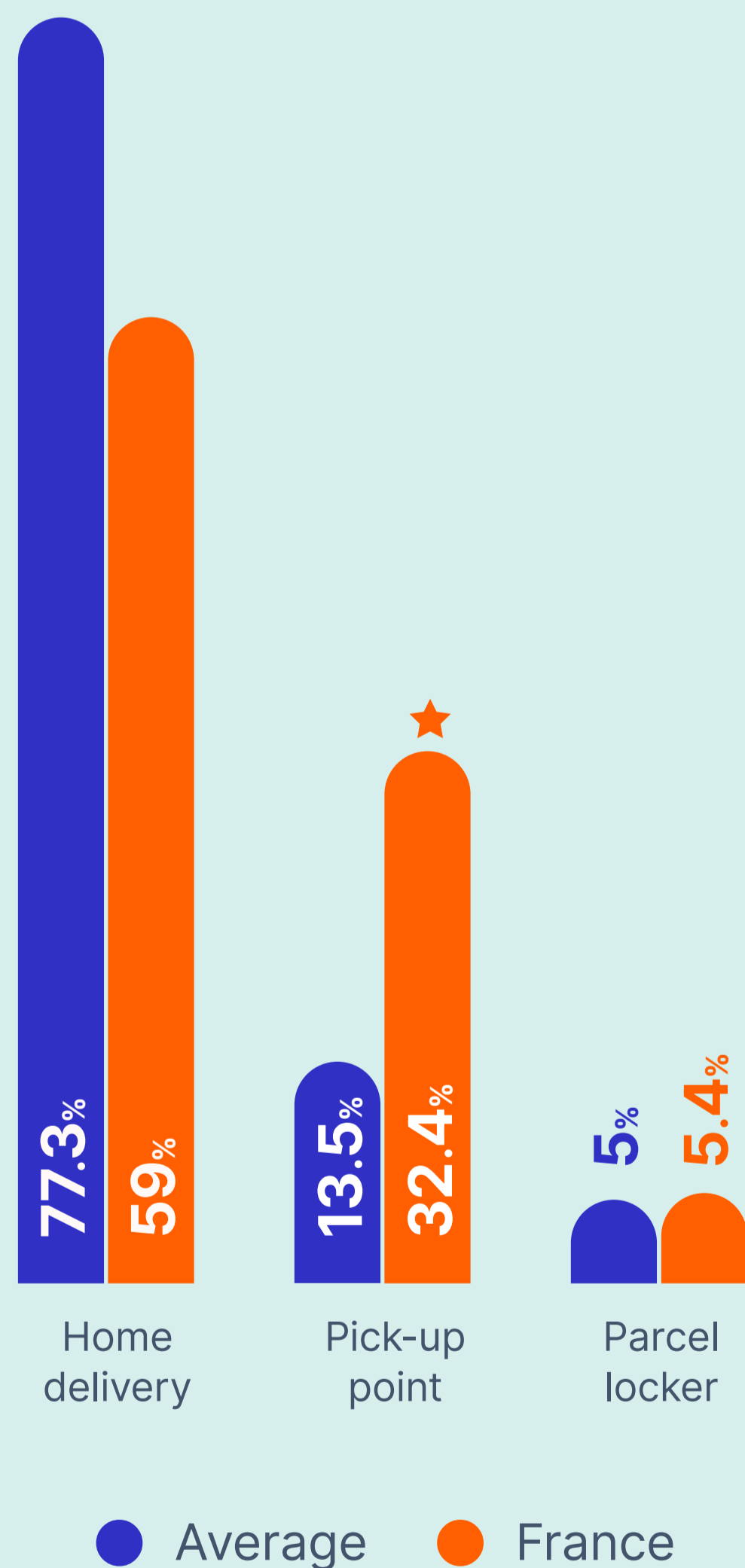
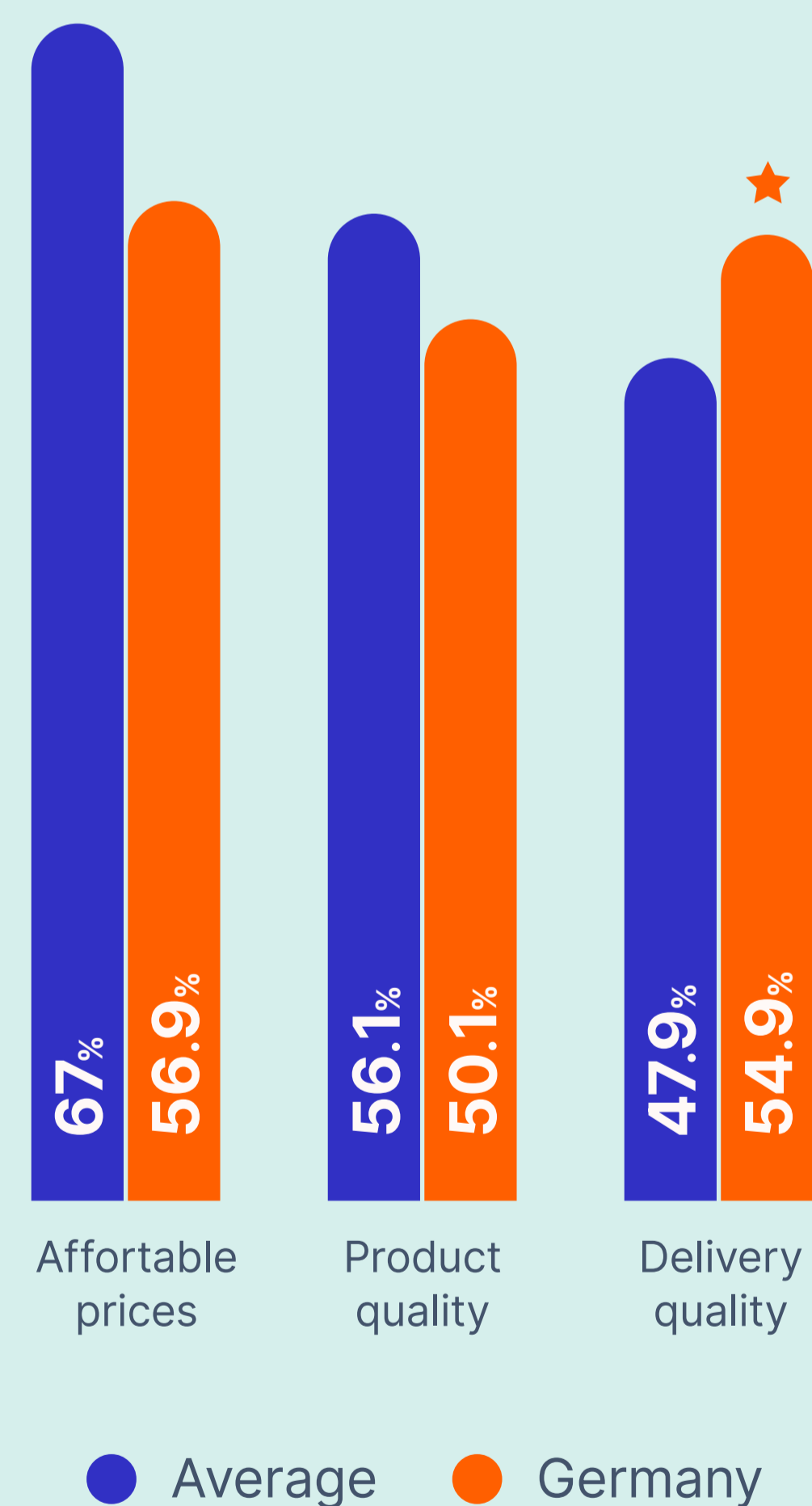| Category	Average	Australia
Marketplaces	55.5%	28.9%
Brand website	26.9%	56.2% ★
Brand App	13.9%	11%

● Average ● Australia

AUCTANE
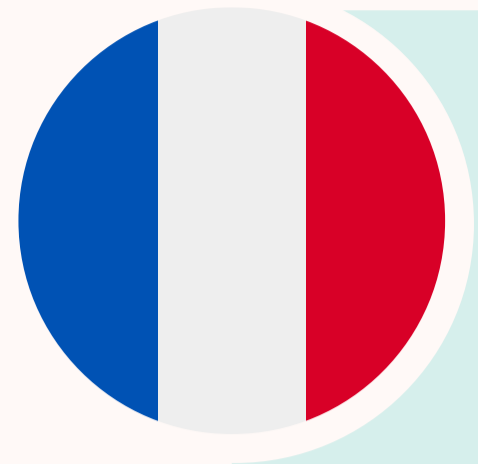
FRANCE

- **Loyalty driver:** The quality of the delivery experience ranks second behind affordable prices
- **Unwanted items:** reselling is the top option ahead of donation
- ★ **Delivery preference:** leading market when it comes to using pick-up points

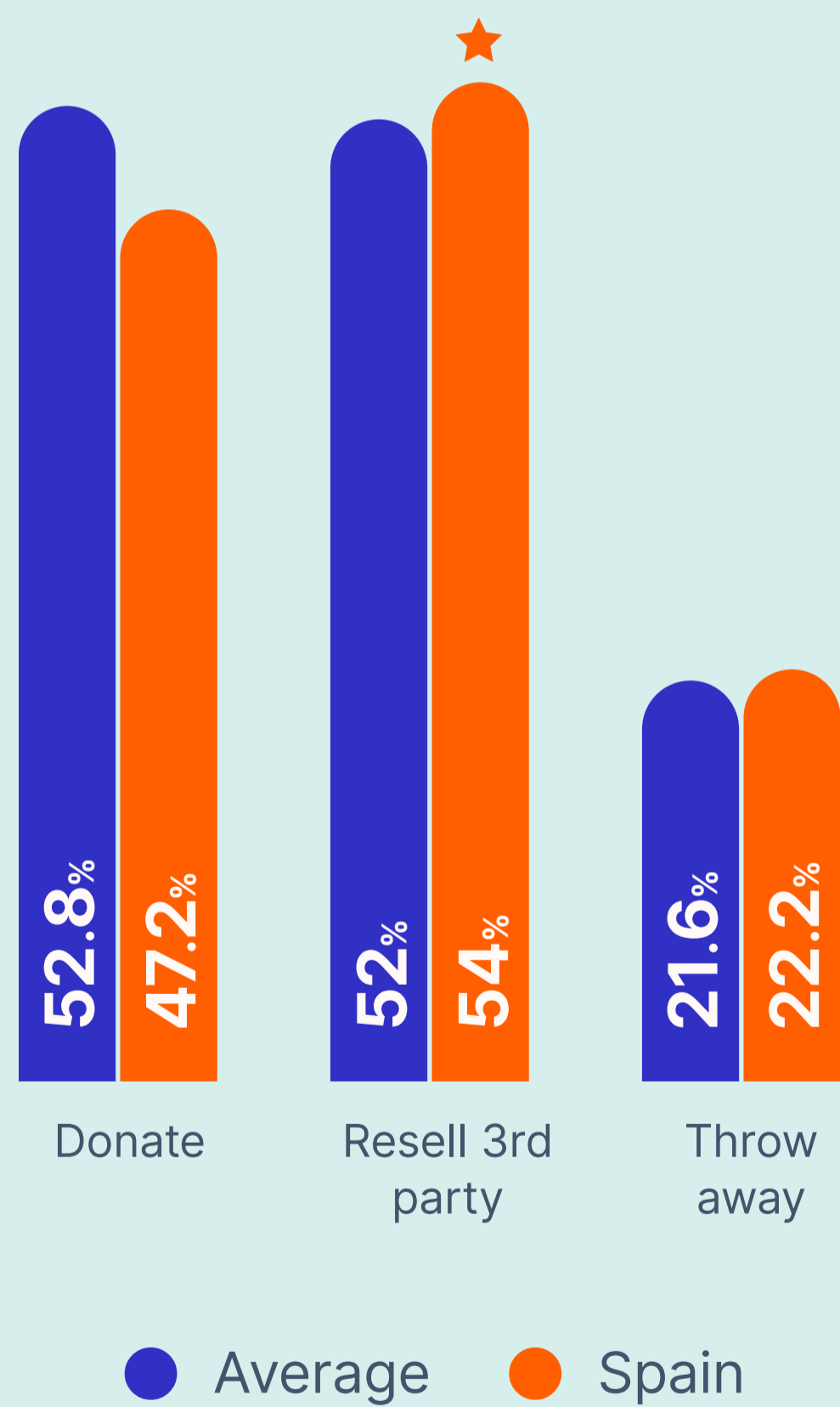|	Home delivery	Pick-up point	Parcel locker
Average	77.3%	13.5%	5%
France	59%	32.4% ★	5.4%

● Average ● France

GERMANY

- **Unwanted items:** reselling is the top option ahead of donations
- **Likeliness to shop again with a brand:** inconvenient return policy is the third factor of influence when discarding a brand
- ★ **Loyalty driver:** the quality of the delivery experience ranks second behind affordable prices
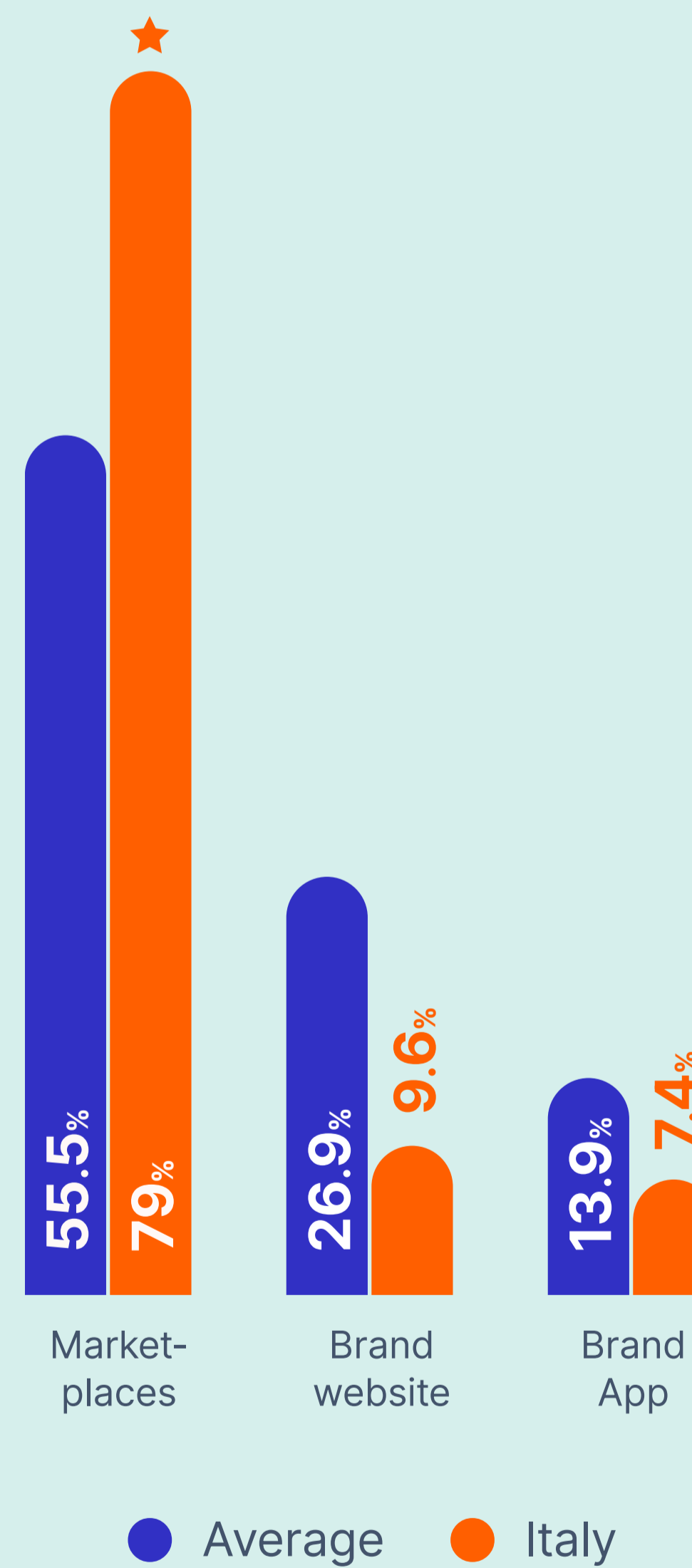
	Affordable prices	Product quality	Delivery quality
Average	67%	56.1%	47.9%
Germany	56.9%	50.1%	54.9% ★

● Average ● Germany

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SPAIN

- **Channel preference:** Over 58% prefer to buy on marketplaces

- **Likeliness to shop again with a brand:** negative delivery experiences influence up to 82% consumers when it comes to discarding a brand

- ★ **Unwanted items:** reselling is the top option ahead of donations

	Donate	Resell 3rd party	Throw away
Average	52.8%	52%	21.6%
Spain	47.2%	54% ★	22.2%

● Average ● Spain

ITALY

- **Delivery preference:** pick-up points are on the rise, being the preferred option of 16%

- **Likeliness to shop again with a brand:** negative delivery experiences influence up to 83% consumers when it comes to discarding a brand

- ★ **Channel preference:** market with the highest proportion of preference towards marketplaces (79%)

	Marketplaces	Brand website	Brand App
Average	55.5%	26.9%	13.9%
Italy	79% ★	9.6%	7.4%

● Average ● Italy

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EQUIPPED TO SUCCEED

Many of these insights aren't one-day changes; devising a winning sales funnel and commerce strategy takes time – but it's rewarding, and with a staggered approach, improvements can come thick and fast.

Here's a reminder of the main points to apply to your selling philosophy and shipping strategy:

1. It's not in-store or online; it's in-store **and** online

2. **Focus on selling on marketplaces** as that's where the majority of consumers still shop online – established online marketplaces can help to ensure trust between brands and customers, too. Social media platforms and apps are still viable selling platforms but they're far behind in popularity; it's wise to focus your attention and resources accordingly

3. **Recommerce is an opportunity** to stand out from your competition; expanding your business beyond the purchase and owning the delivery experience to help develop customer loyalty

4. **Quality delivery experiences** are essential if you want to maximise conversion and retention

5. While providing PUDOs is good, **exceptional home delivery** matters as that's the preferred method for many consumers globally. Having optionality is encouraged to reduce the likelihood of cart abandonment, but ensure your home delivery experience is as good as can be

6. **Delivery experience directly impacts brand loyalty** – know your customer and understand what they're looking for

Are you ready to optimise your ecommerce business and streamline your delivery logistics?

If so, we have a solution for you,
no matter your size or ambition:

Packlink® PRO
Simply Shipping

The premier online
shipping solution for
smaller sellers in Europe

ShipStation®

The leading web-based
order management
and shipping software

METAPACK

Best-in-class provider
of ecommerce delivery
technology to enterprise
businesses

{⚙} SHIPENGINE®

The API shipping software
of choice for marketplaces,
3PLs and ecommerce
merchants

Having read this guide, you are now equipped
with data-backed insights into the current commerce
landscape across several major countries – ready
to improve your customer experience and, ultimately,
your business. Add our solutions to your business
and you'll unlock a whole other level to what's
possible.

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ShipStation®

Get Ship Done

ShipStation is a multi-channel, multi-carrier order and delivery management platform that streamlines and automates key ecommerce processes. With more than 300 integrations to all major selling channels, e-commerce platforms, and carriers, including Amazon, eBay, Shopify, BigCommerce, Magento, Australia Post, DHL and UPS, you can reach more customers across more channels, at home and abroad. Wherever you are on your ecommerce journey, we'll help you focus on what matters most. Building a business that everyone loves - you, your team and your customers.

Start your free trial

No credit card required

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