

Order Experience Index

Insights on each step of an ecommerce order,
from checkout to unboxing

2021-2022

BOXtools™



Introduction

Welcome to the 2021-2022 Order Experience Index, our annual insights report powered by BOXtools from Pitney Bowes.

2021 may be remembered as the year when anyone's guess was good enough. It was the year of "are we going back to normal, or not? ...Or is this the 'new normal?'" The continued effects of the COVID-19 pandemic, rising inflation and unprecedented supply chain challenges coalesced to impact every part of our lives. How we work. How we go to school. How we socialize. And how we shop.

What is an order experience? From the consumer's perspective, we think of it in four parts:

- **Order** (*How fast is fast when quoting delivery dates?)*
- **Delivery** (*What do consumers expect from a retailer's tracking platform?)*
- **Unboxing** (*Who is the MVP of packaging materials?)*
- **Returns** (*Which RMA processes will risk leaving shoppers with a vendetta against your brand?)*

We've compiled data for every step of the online order process, using consumer surveys and ecommerce benchmarks to provide valuable insights for retailers in 2022 and beyond.

Methodology

Every month, Pitney Bowes publishes findings based on the best and most interesting results from our weekly BOXpoll surveys.

Morning Consult conducts weekly polls on behalf of Pitney Bowes among a national sample of more than 2,000 online shoppers. The surveys were conducted online, and the data were weighted to approximate a target sample of adults based on age, educational attainment, gender, race and region. Results have a margin of error of +/- 2 percentage points.

Additional data comes from BOXscore, another part of our BOXtools insights platform. BOXscore uses crowdsourced mystery shopping of thousands of websites to compile benchmarks on the ecommerce order experience from brands in 15 industry segments.

This report is based on BOXpoll and BOXscore findings from January 2021 through February 2022.

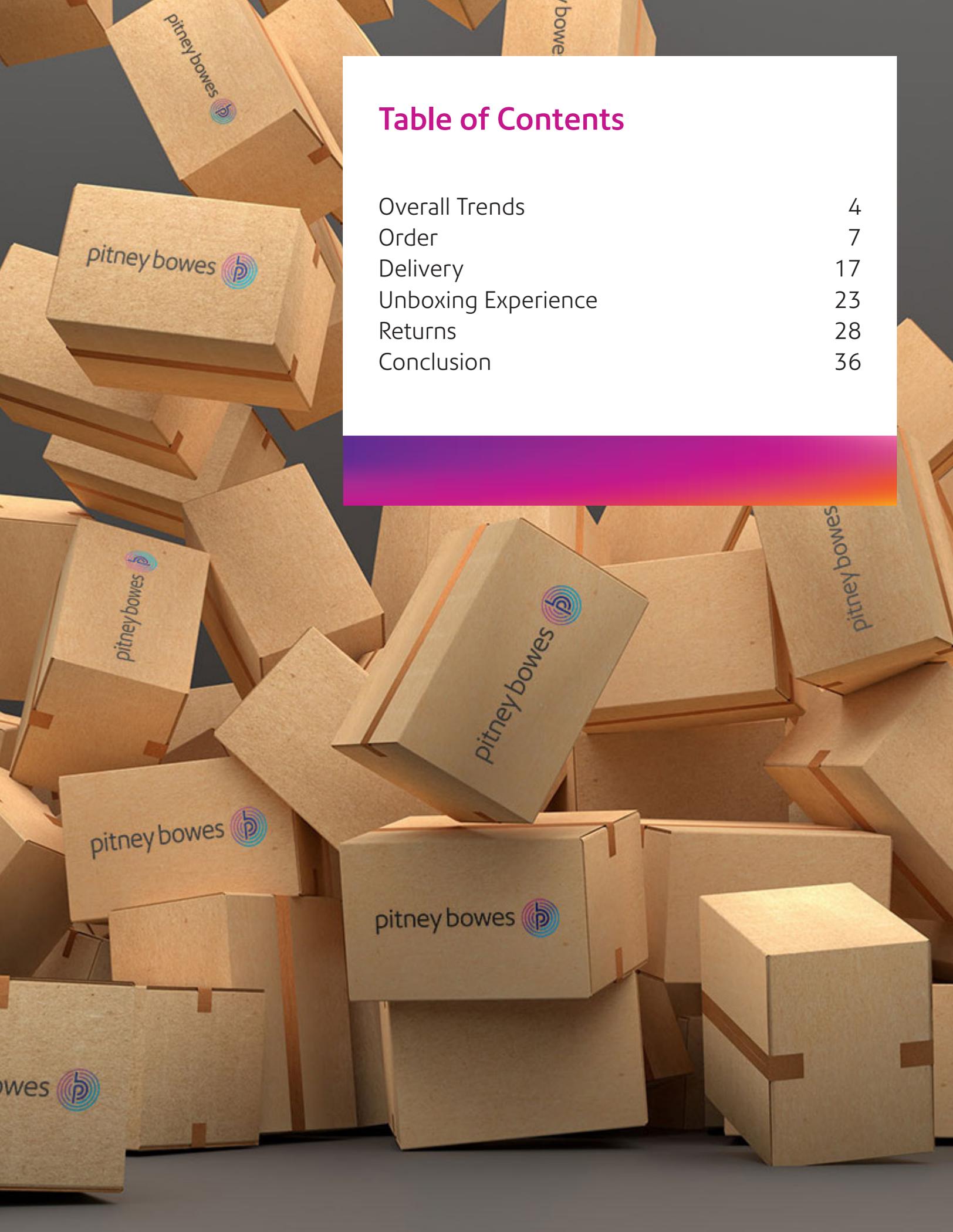


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Overall Trends

Consumers and the Pandemic

Concern about COVID-19

We asked consumers throughout 2021 (and in early 2022) how concerned they were about the COVID-19 pandemic and found that BOXpoll survey respondents have been remarkably consistent about their feelings.

The only time fewer than 70% of consumers were concerned about COVID-19 was in the first half of summer—before the rise of the Delta variant. In short, concern continued throughout 2021 and into early 2022, when the Omicron variant was peaking.

Online Shopping Adoption

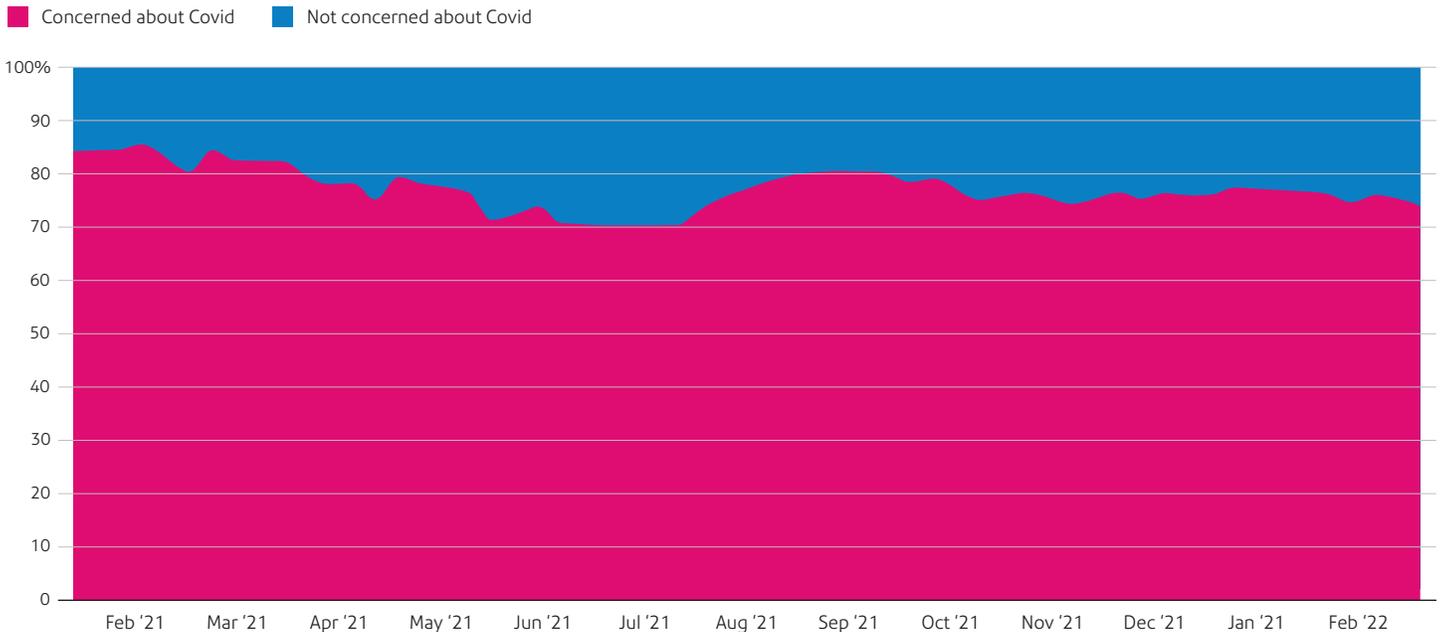
We also regularly asked consumers how much they were shopping online compared to before the COVID-19 pandemic.

In late 2020, before COVID-19 vaccines were widely available, the ecommerce revolution spiked. Throughout 2021, after this peak, the percentage of consumers who said they were shopping online more than pre-pandemic never rose above 56%, but it never dropped below 40%.

Our takeaway: Even though consumers are comfortable returning to brick-and-mortar retailer stores, online shopping still has a strong foothold in the purchasing mix of your average consumer. To put it bluntly, ecommerce is here to stay.

Concerned about COVID-19

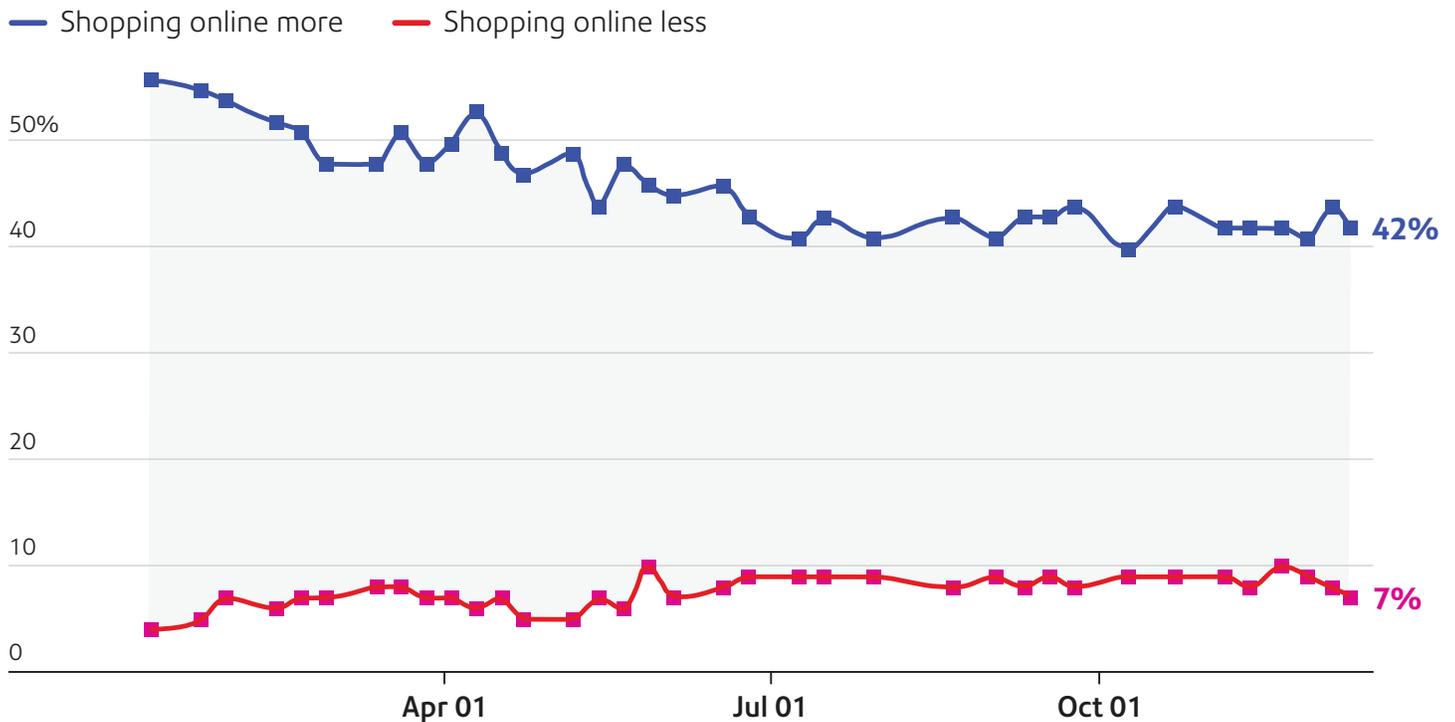
Each week we ask consumers whether they are concerned about the COVID-19 pandemic.



Source: Pitney Bowes BOXpoll

Online shopping adoption

How much consumers are shopping online compared to before the COVID-19 pandemic.



Source: Pitney Bowes BOXpoll

Consumers and Ecommerce

Week-over-week Spending

Online spending stayed largely constant during the period we surveyed consumers (late March 2021 through the end of February 2022).

Spending in essential product categories (and products that support habits, like sporting goods) stayed largely constant throughout the period surveyed, with one exception: Apparel, footwear and accessories.

According to the US Census Bureau, apparel sales increased 19% year-over-year in January 2022. We attribute this trend to early stages of post-pandemic recovery: As many shoppers began returning to normal social lives, they headed online to update their closets. That in turn drove up consumers' overall online spending.

It's also important to note the role of inflation, which began accelerating in spring 2021. According to the previously mentioned Census Bureau data, increased apparel sales were outpaced only by gas stations (33%) and food services (25%), which are especially sensitive to inflation. However, because those aren't typically online

purchases, the biggest drivers of inflation aren't represented in our weekly spending data tracker.

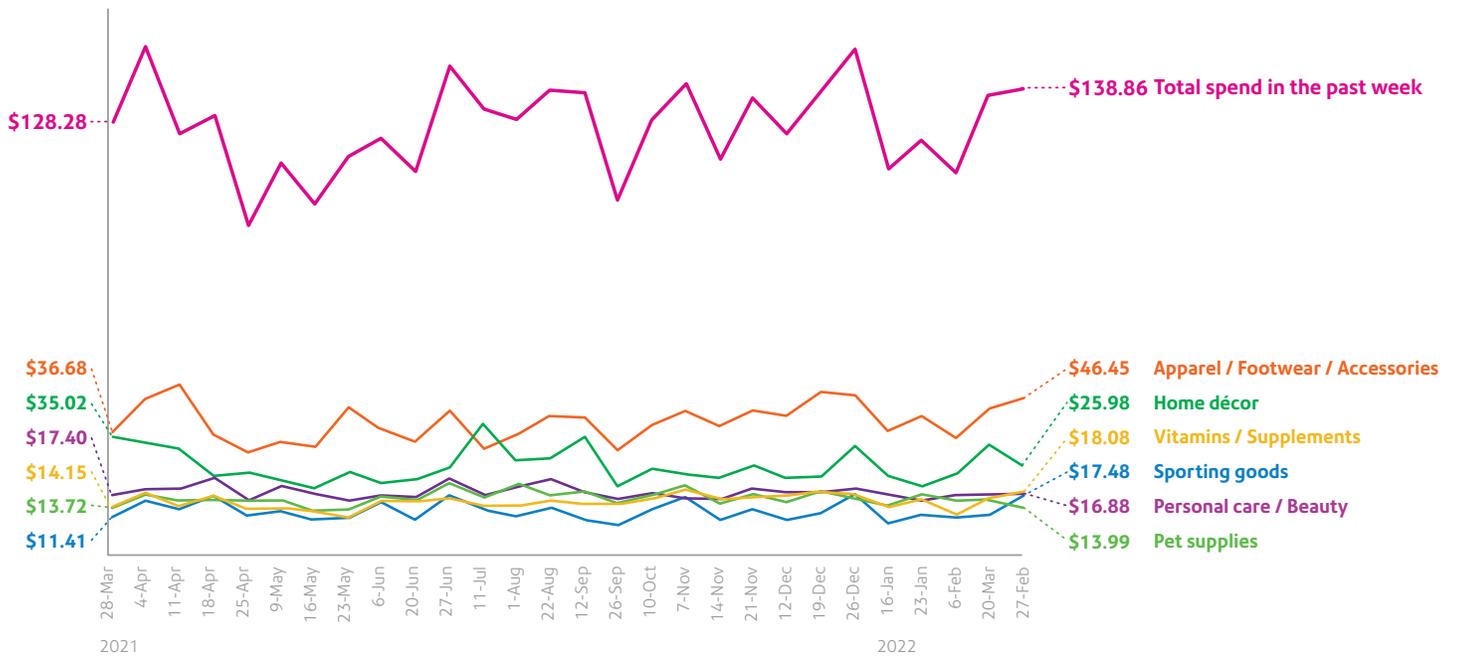
Ecommerce prices, while not immune to inflation, rose only nominally during the same period, with Adobe reporting that online prices rose 2.7% year-over-year in January 2022. This supports our finding that spending in most ecommerce product categories was not significantly impacted by inflation.

Key Takeaways: Overall Trends

- Concern about COVID-19 remained high throughout 2021 and into early 2022, even as consumers became more comfortable returning to brick-and-mortar stores.
- Online shopping adoption dipped slightly in 2021 from 2020's record numbers, but leveled off with around 40% of shoppers reporting they were shopping online more than they were before the pandemic.
- Online spending levels have remained largely steady despite inflation, with apparel seeing significantly increased spending as shoppers returned to normal social lives.

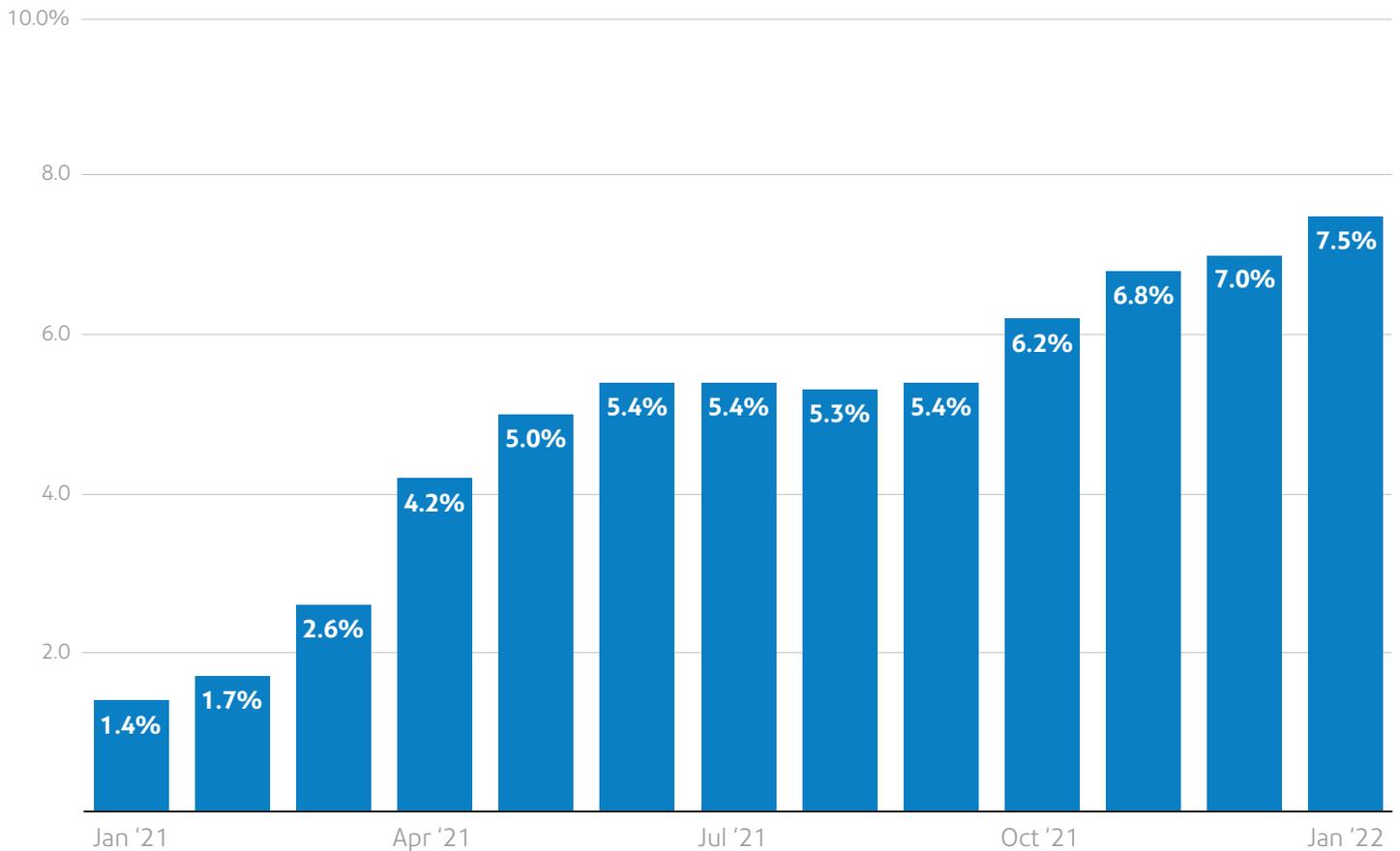
Past Week Spending

What was the average amount you spent online in the following categories?



Source: Pitney Bowes BOXpoll

United States 12-month inflation rate, Jan 2021 to Jan 2022



Source: U.S. Bureau of Labor Statistics Consumer Price Index

Order

Ship Methods Offered

The most important characteristics of shipping methods for online retailers to consider are number of options offered and speed of those options.

Number of shipping methods offered

Friction kills cart conversions. Overwhelming consumers with too many shipping options can cause them to spend too much time thinking, leaving the door open to abandoned carts. But failing to offer enough shipping options prevents 'appointment purchasing' (when a customer needs a product by a certain date).

For that reason, we recommend an average of one shipping option per days to delivery (i.e., transit time), meaning a customer who needs a product in a certain number of days has a clear and obvious choice.

Speed of shipping methods offered

According to our BOXpoll surveys, 66% of consumers feel that time seems to be going by faster than it did before the COVID-19 pandemic.

Rising shipping costs mean that retailers need to find a better balance between speed and cost. Retailers should keep in mind

that consumers' perceptions of delivery speed aren't as fast as many might think.

In fact, for all product categories we asked about (besides groceries), consumer definition of "fast" shipping slowed down between 2020 and 2021, landing between 2-3 days.

And while shoppers may define fast as 2-3 days, almost three-quarters (72%) find 5-7 days "acceptable" if shipping is free, and the alternative is paying to upgrade to 2-4 days.

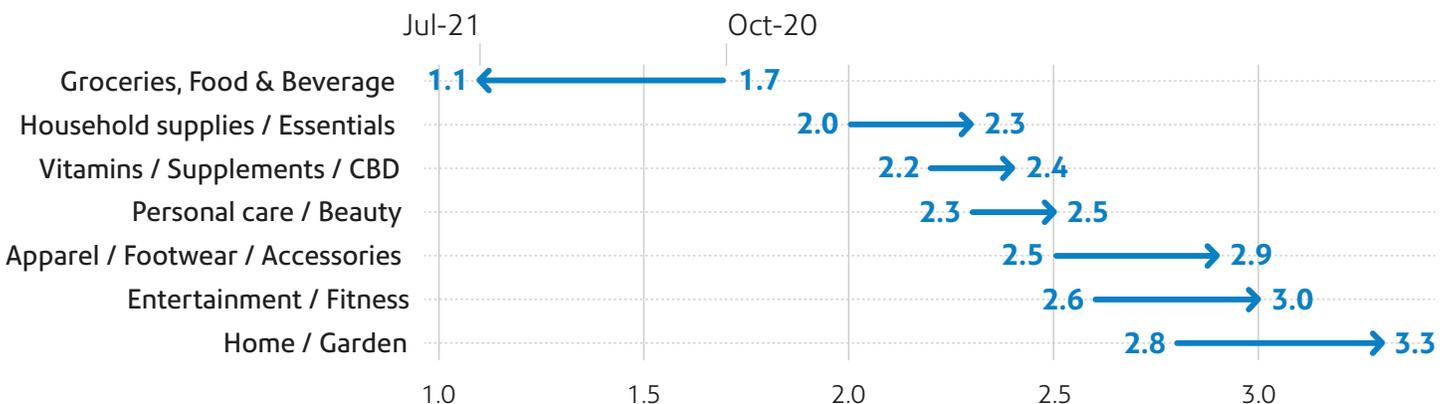
Of that 28% of consumers who say they're likely to pay for faster shipping, Millennials, parents and city dwellers—who are the most crunched for time—are the most likely demographics

Here's a closer look at who might be willing to pay for expedited shipping:

- Almost half (43%) of Millennials and more than one-third (38%) of Gen Zers are likely to pay for speed. Meanwhile, 83% of Baby Boomers are happy to wait a few extra days for an online order.
- Parents are almost twice as likely (41%) to pay than adults without children (23%). Those who don't have the luxury of time are willing to pay a premium to minimize waiting time.

Consumers have changed how they define "fast" shipping

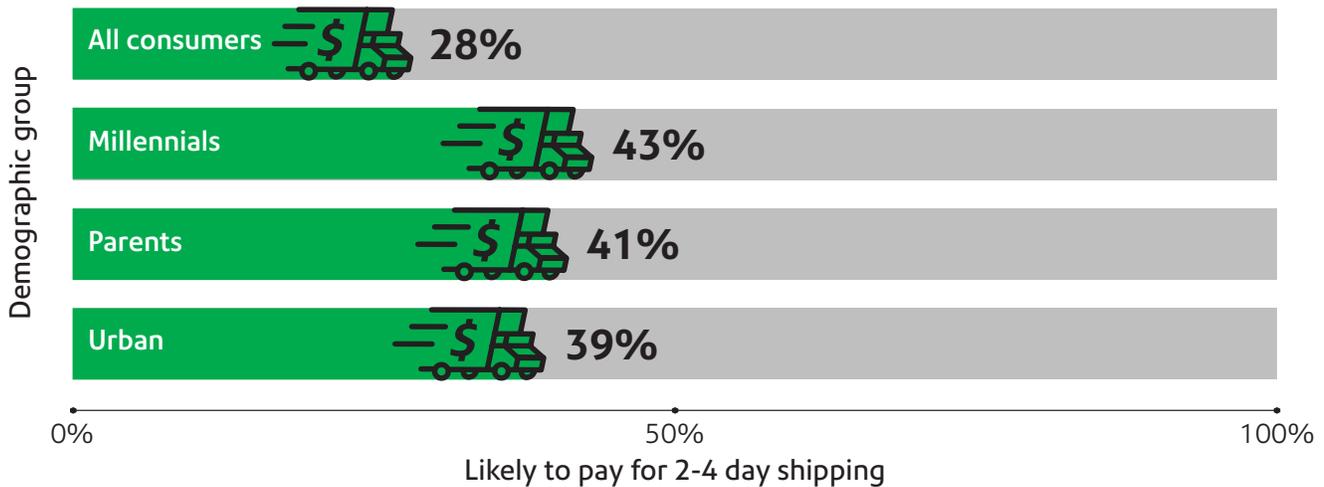
What is the longest (in days) you would expect to wait for a delivery you consider "fast"?



Source: Pitney Bowes BOXpoll

Got upgrade? Some consumers are willing to pay for faster shipping

How likely are you to pay extra to upgrade from 5-7 day shipping to 2-4 day shipping?



pitney bowes 

BOXpoll®

BOXpoll™ by Pitney Bowes, a weekly consumer survey on current events, culture and ecommerce logistics. Conducted by Pitney Bowes with Morning Consult // 2094 US consumers surveyed October 2021. © Copyright Pitney Bowes Inc.

- It's no shock that shoppers with annual household incomes exceeding \$100K were 10 percentage points more likely to pay extra than those with lower incomes. However, we were interested to see that those earning \$50K-100K were just as likely (27%) to upgrade their shipping as those earning less than \$50K.
- Urban residents are significantly more likely (39%) to pay for speed than suburban (24%) and rural (22%) residents. It's a trend that investors have acted on, leading to an explosion of ultrafast delivery services in cities across the U.S.
- The most likely product category—garnering almost one-third (32%) of consumers—to earn a shipping upgrade is electronics, almost certainly because of high product value.
- Food/beverage and apparel/footwear tied for second place, both earning upgrades from 29% of consumers.

However, BOXpoll surveys revealed that just because consumers prioritize cost over speed doesn't mean they don't care about speed at all. Most (56%) consumers are willing to shop around for

faster free shipping if their first-choice retailer's shipping time exceeds 7 days.

Responses from this survey question confirm demographic trends around which shoppers most value speed from the previous question about likelihood to upgrade shipping speed:

- People with children (67%), people with household incomes of more than \$100K (64%) and Millennials (63%) are the most likely groups to shop for faster free shipping alternatives. However, their demographic counterparts are not far behind in their willingness to shop around.
- Baby Boomers are the least likely group (49%) to look to other retailers for faster free shipping.

The types of products that consumers want faster echoed findings from our previous question. People value speed most with electronics, apparel/footwear and food/beverage.

Consumer responses tell a consistent story: Cost beats speed and brand loyalty for most, especially among older generations. Surprisingly, more than half of all adults, and at least 45% of each demographic group, will accept a 7-day delivery time in return for a unique brand.

- Baby Boomers (67%) and Gen Xers (58%) are most willing to wait longer in exchange for free shipping, while time-crunched

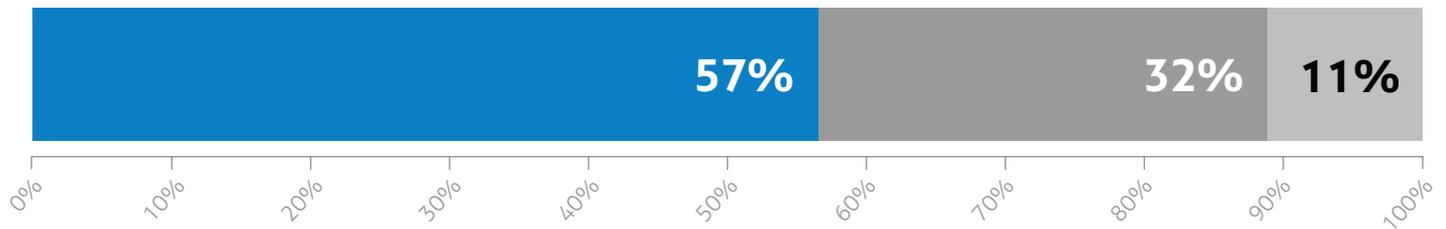
Millennials (32%) and Gen Zers (28%) are the most willing to turn to a competitor in search of faster delivery, even for a unique or preferred product.

- Younger generations are less patient. If shipping is going to take longer than 7 days, more than half of Gen Zers (54%) and Millennials (51%) are going to rethink the purchase, and a sizable portion of that group (28% of Gen Zers and 32% of Millennials) will seek out alternatives.

If an online retailer offers free shipping that takes longer than 7 days, how likely are you to look for another site that offers faster free shipping?

■ Likely to look for another website
 ■ Unlikely to look for another website
 ■ Don't know / No opinion

All consumers



Source: Pitney Bowes BOXpoll

If you are shopping for a unique product or brand you prefer, but the only free shipping offer will take longer than 7 days, what are you most likely to do?

Options	All consumers	GenZers	Millennials	GenXers	Boomers
Buy the product from that website	57%	46%	49%	58%	67%
Try to find a similar product from another website	24%	28%	32%	24%	17%
Leave the website to think about the purchase some more	10%	16%	10%	11%	9%
Not buy an item or search for any similar items	8%	10%	9%	7%	7%

Source: Pitney Bowes BOXpoll

Estimated Delivery Dates

According to our BOXpoll research, keeping promises is more important than being fast. More than half of consumers say an accurate estimated delivery date is more important than fast shipping, a sentiment shared across age groups.

Shoppers also prefer precision: A narrow range is better, but an exact number of days is best. However, a range of days or dates is better than providing a specific day/date that may or may not be accurate.

Additionally, an accurate delivery date is more important than a guaranteed delivery date (even if that guarantee means the shipping cost is refunded on late delivery).

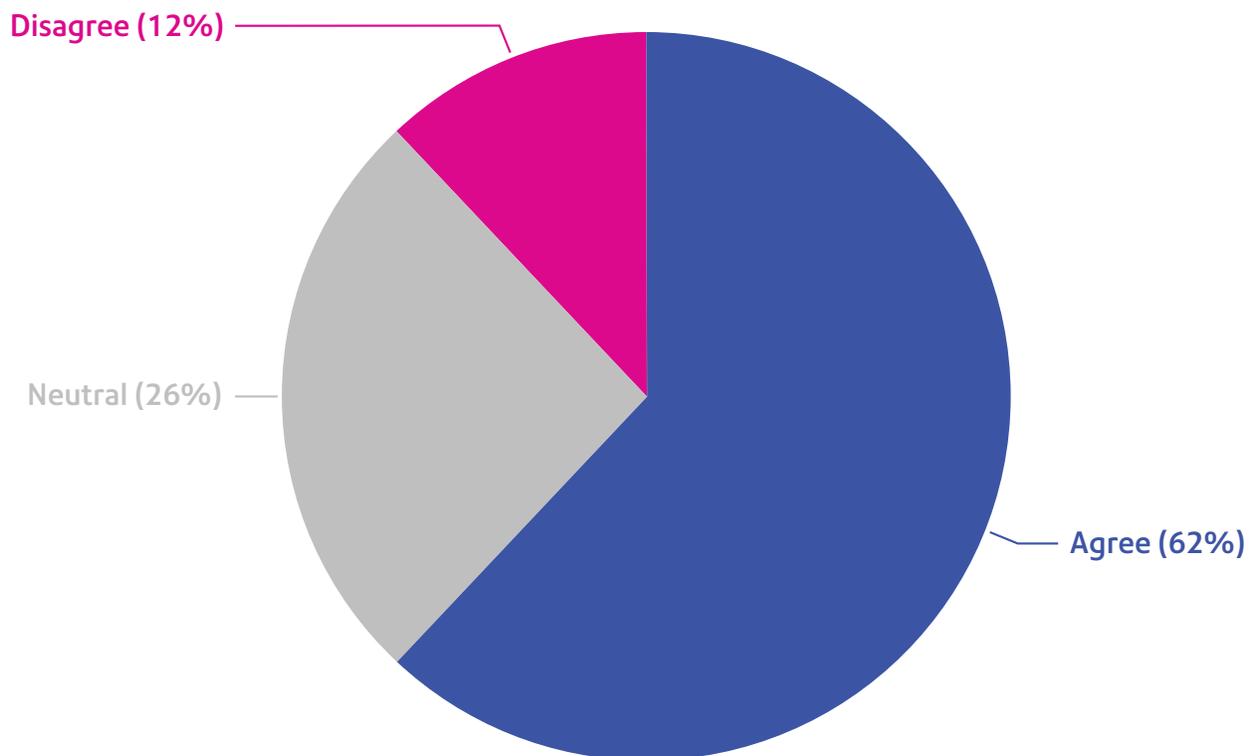
Early deliveries

While an accurate estimated delivery date (EDD) is more important than fast shipping, it turns out that for more than half of consumers, an 'accurate' EDD means both "no later than" and also "no earlier than."

To 59% of all shoppers—and almost two-thirds of Gen Z and Millennials—early deliveries are an inconvenience.

The top two reasons cited are not being home on the day of delivery and not being comfortable having deliveries sit out. Gen Z and Millennials, who are most likely to live in apartments or other locations hostile to unattended packages, are more likely than their Gen X and Baby Boomer counterparts to be annoyed by early deliveries.

An accurate estimated delivery date is more important to me than fast shipping

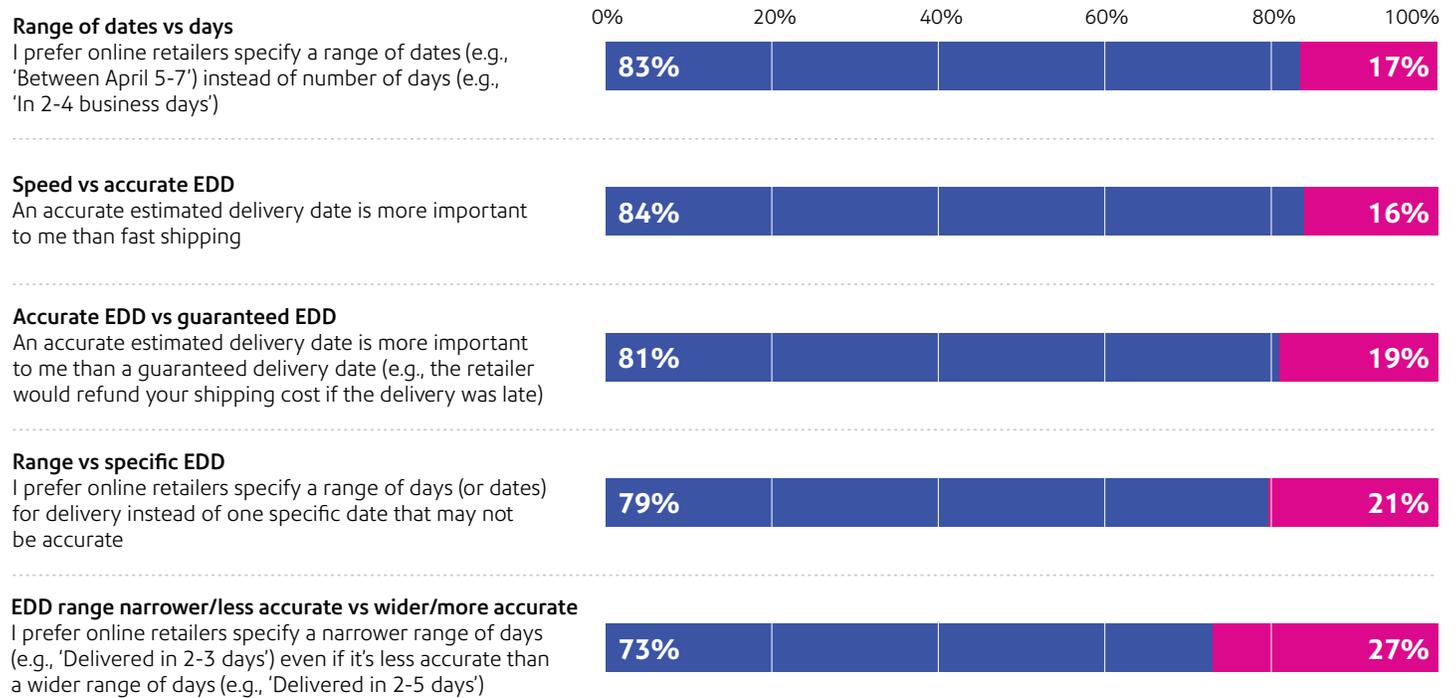


Source: Pitney Bowes BOXpoll

How consumers prefer to see delivery dates estimated

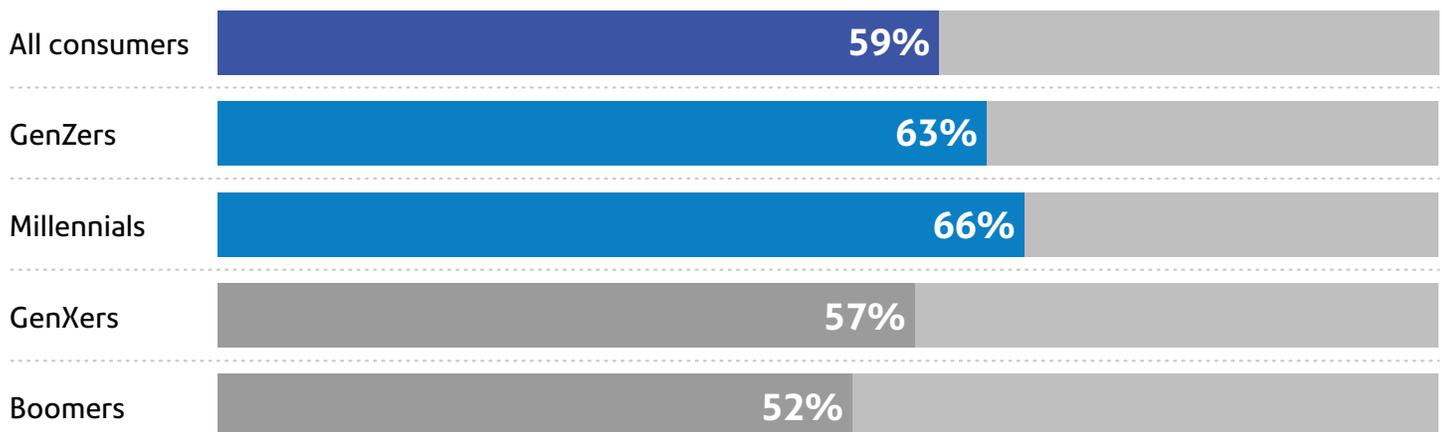
Time to get wonky. We asked consumers to compare different types/scenarios of estimated delivery dates (EDDs—as presented at checkout or in tracking messages) to gauge what they prefer to see—and what gives them a greater sense of confidence in the retailer.

■ Agree ■ Disagree



Source: Pitney Bowes BOXpoll

Consumers who say early deliveries are inconvenient



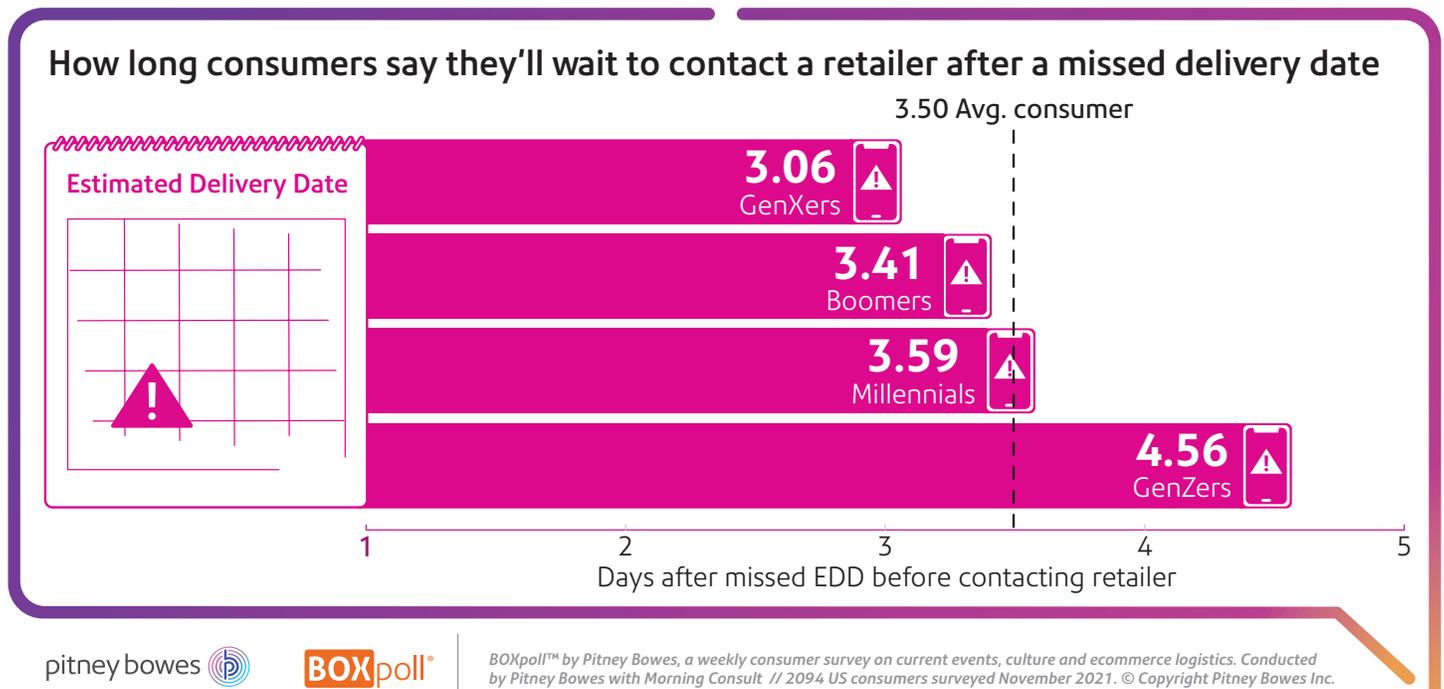
Source: Pitney Bowes BOXpoll

Which of the following would make you feel like an early delivery was convenient?

Options	All consumers	GenZers	Millennials	GenXers	Boomers
I wasn't planning to be home that day and couldn't retrieve it quickly	32%	32%	33%	29%	34%
I don't like having deliveries sit out	32%	32%	34%	33%	28%
I have a pet that doesn't like visitors	7%	9%	11%	6%	2%
Early deliveries are inconvenient for me	59%	63%	66%	57%	52%

Source: Pitney Bowes BOXpoll

Missed EDD, will you hear from me?



Contacting retailers about missed delivery dates

While early deliveries are an annoyance for more than half of shoppers, retailers aren't likely to get calls to customer care about them. Meanwhile, 90% of shoppers say they will contact customer care if their online order doesn't arrive on the date promised—but will give an average grace period of 3 days before doing so.

Gen Zers are the most patient (or the most loathe to pick up the phone or draft an email), waiting about 5 days and being twice as likely as the average consumer not to contact the retailer at all.

Our recommendation for preventing the reputational damage (or call center inquiries) resulting from a missed delivery date is a revised promise, in the form of a revised estimated delivery date when a package is running late.

While we know updated delivery date notifications from retailers aren't yet the norm, consumers think they are, which is a misperception influenced by how much consumers shop with major retailers who provide this information more consistently.

Millennials, many of whom are parents of young children, have an especially attentive eye and are 27 percentage points more likely than not to notice updated delivery dates.

Parents gave almost identical responses as Millennials: 62% of parents noticed delivery date updates, compared with 41% of those without kids.

In a situation where a retailer provides an updated delivery date, 42% of consumers say they'll recommend that retailer to friends

and family—an incredible number, given the disappointment of a late delivery. Retailers can take additional solace in the fact that Millennials and parents are especially likely (18 percentage points more likely than not) to recommend a brand that provides an updated EDD.

An updated EDD can relieve consumer anxiety about late delivery and—the most tangible benefit to retailers—slash the number of calls or emails to customer care.

According to our 2021 BOXpoll surveys, a revised EDD translates to less than half as many consumers likely to call a retailer's customer care center (90% for missed EDD vs. 44% for revised EDD).

Every generation except for Millennials—who started their holiday shopping earlier than other generations in 2021 specifically because they are more sensitive to delays—are less likely to contact a brand about delays after a revised EDD is provided. Those who live in suburbs and rural areas are more than 10 percentage points less likely than their urban counterparts to contact customer care.

While delivery delays are out of a retailer's control, updated dates (and, potentially, notifications) are a relatively simple solution that can help salvage brand reputation with many consumers, as well as spare customer care from increased call volumes.

Imagine an online purchase is not delivered by the date promised. How long would you wait and how likely are you to contact the retailer?

	Days after missing EDD before contacting retailer	Percent who would contact the retailer
All consumers	3.03	90%
GenZers	5.34	78%
Millennials	3.08	90%
GenXers	2.55	94%
Boomers	2.69	94%

Source: Pitney Bowes BOXpoll

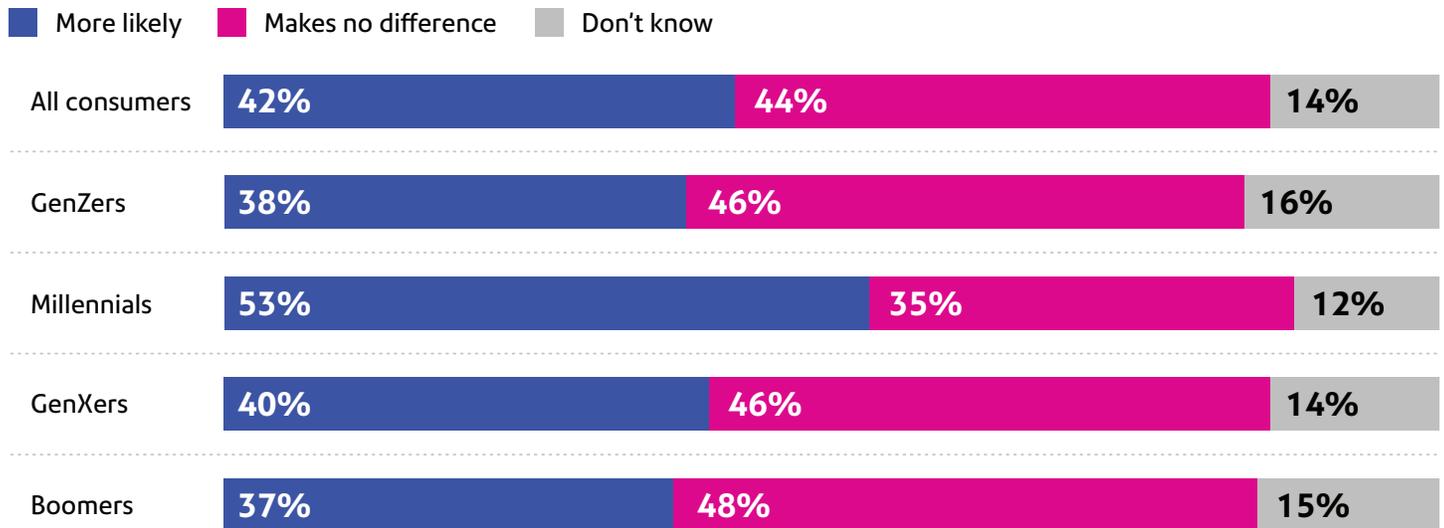
How often have you noticed that retailers proactively notify you about changes in estimated delivery date instead of missing the date promised without notice?

Notified of changes to EDD	All consumers	GenZers	Millennials	GenXers	Boomers
Frequently	47%	49%	58%	48%	40%
Infrequently/never	36%	36%	31%	34%	43%

Note: Respondents were asked to think about products they've purchased online within the last 6 months from retailers other than Amazon.

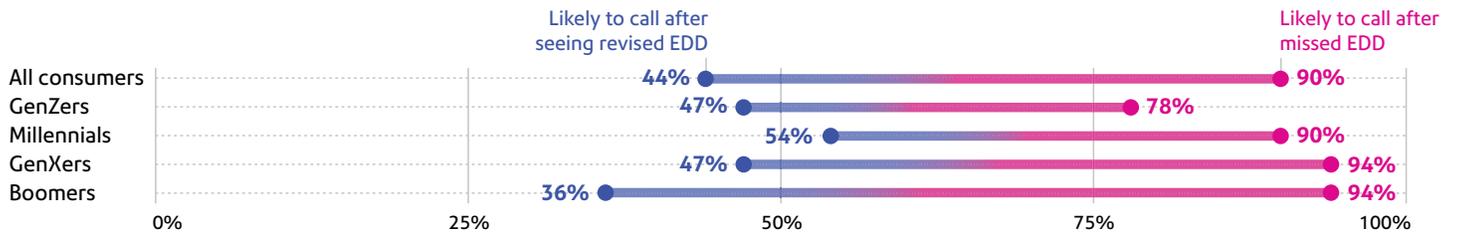
Source: Pitney Bowes BOXpoll

Likely to recommend retailer missing delivery date with updated EDD



Source: Pitney Bowes BOXpoll

If the retailer provides you with an updated delivery date, how likely are you to contact the retailer?



Note: Respondents were asked to imagine they placed an order online that is not delivered by the date promised.

Source: Pitney Bowes BOXpoll

Delivery date presentation

Accurate delivery dates are important, but not all EDDs are created equal.

It's not surprising consumers would prefer a more precise EDD, but what we found most interesting was the aversion to mental calendar math. "2 days" beat out "February 24" by a little, and "Thursday" by a lot. We find that especially surprising since Amazon, which holds significant weight in setting consumer expectations, uses days of the week ("FREE delivery tomorrow"; "Get it by this Thursday") if the EDD is less than a week, and specific dates for delivery further out.

"Estimated business days," which fewer retailers use but is certainly more precise than a non-specific count of days, didn't get much love in our surveys.

We also evaluated how ecommerce retailers stacked up against consumer preferences. In case you didn't know, BOXpoll is one

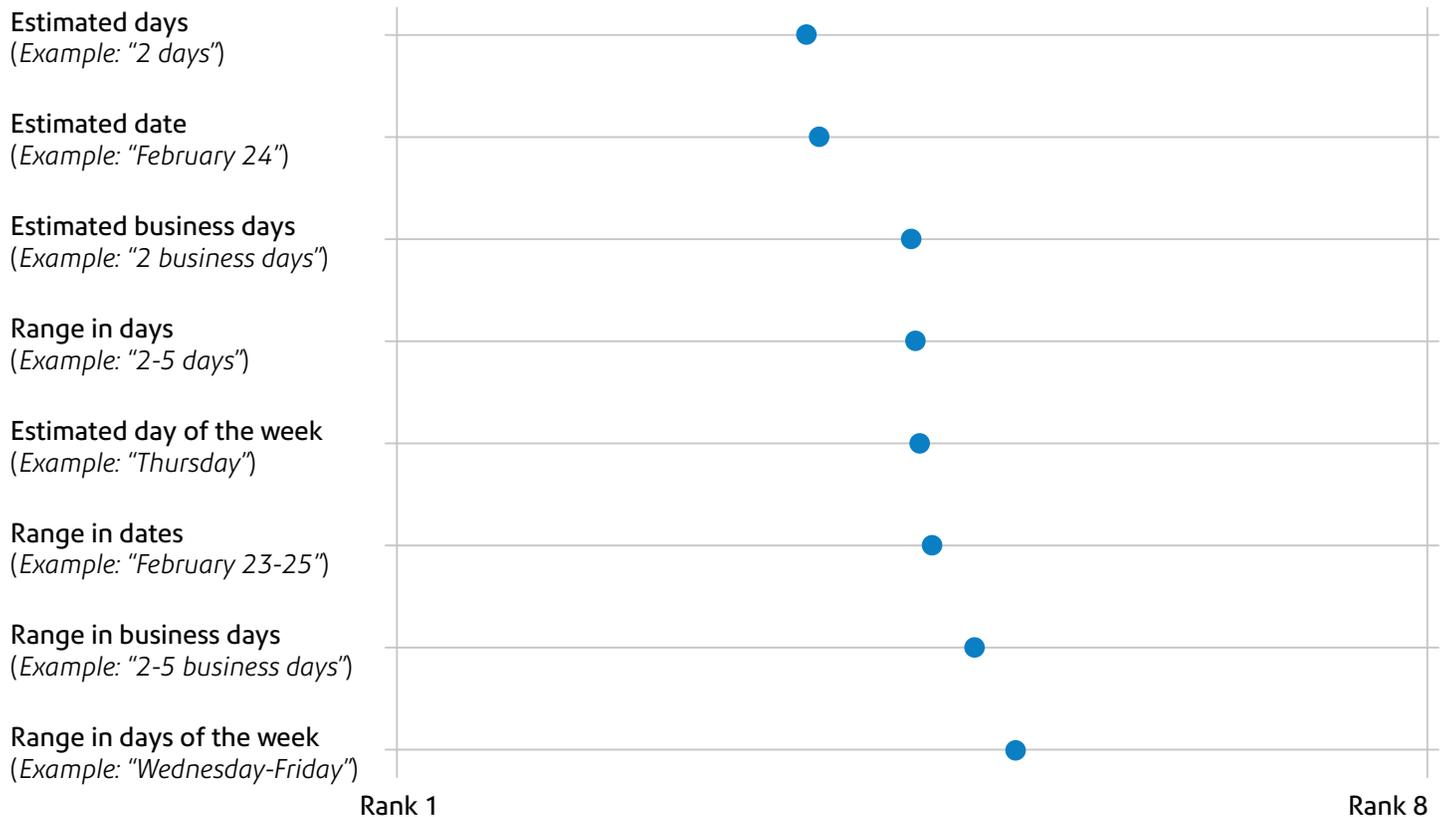
member of a larger family. BOXscore, another part of our BOXtools insights platform, uses crowdsourced mystery shopping of thousands of websites to compile benchmarks on the ecommerce order experience from brands in 15 industry segments.

According to our BOXscore research, while there isn't a majority of ecommerce brands using any single EDD format, 39% align with consumers' top preference: Estimated days. (Though note, our analysis rolls up both "non-specific" day EDDs and "business day" EDDs under a common category at present).

Over a quarter of mass merchandise, auto parts and office supply retailers use less-popular estimated dates when quoting EDDs. Also, more than a third of personal care/beauty brands and nearly a third of retailers overall use day ranges due to variable fulfillment and delivery service levels or limitations in technology.

Types of estimated delivery dates, ranked

We asked consumers to rank (on a scale of 1 to 8, with 1 being the highest) different types of delivery dates.



Source: Pitney Bowes BOXpoll

Estimated Delivery Date format usage by industry

Industry	Range in days (Ex: "2-5 days")	Range in dates (Ex: "Feb. 23-25")	Est. days (Ex: "2 days")	Est. date (Ex: "Feb. 24")	No EDD
All Industries, averaged	30%	10%	39%	16%	4%
Personal Care & Beauty	34%	7%	43%	9%	7%
Auto Parts & Accessories	17%	13%	42%	27%	2%
Mass Merchandise	24%	16%	28%	27%	6%
Apparel & Footwear	30%	8%	46%	14%	3%
Office Supplies & Stationary	20%	10%	39%	31%	0%
Hobbies, Toys & Gifts	28%	9%	42%	18%	3%
Sporting Goods	24%	10%	40%	20%	5%
Home & Garden	28%	15%	27%	22%	8%
Electronics	22%	14%	40%	20%	5%
Pet Supplies	31%	4%	54%	12%	0%

Source: Pitney Bowes BOXpoll

Delivery

Tracking

In April 2021, we began regularly asking consumers how often they check tracking information on average per online order.

The responses remained remarkably steady: Consumers check tracking an average of more than 4 times (and up to 5 times) per order. Younger shoppers overachieved, with Gen Z checking tracking almost 7 times and Millennials checking 6.3 times.

That is an astonishing amount of engagement, especially since delivery times average less than a week. It's unlikely that any marketing email flow engages customers 4 times per week—leading us to consider tracking a golden opportunity for post-purchase customer engagement and cross-selling promotions.

We also asked consumers how they preferred to receive tracking information. Email remains king, with 53% of consumers overall saying they prefer email more than other channels.

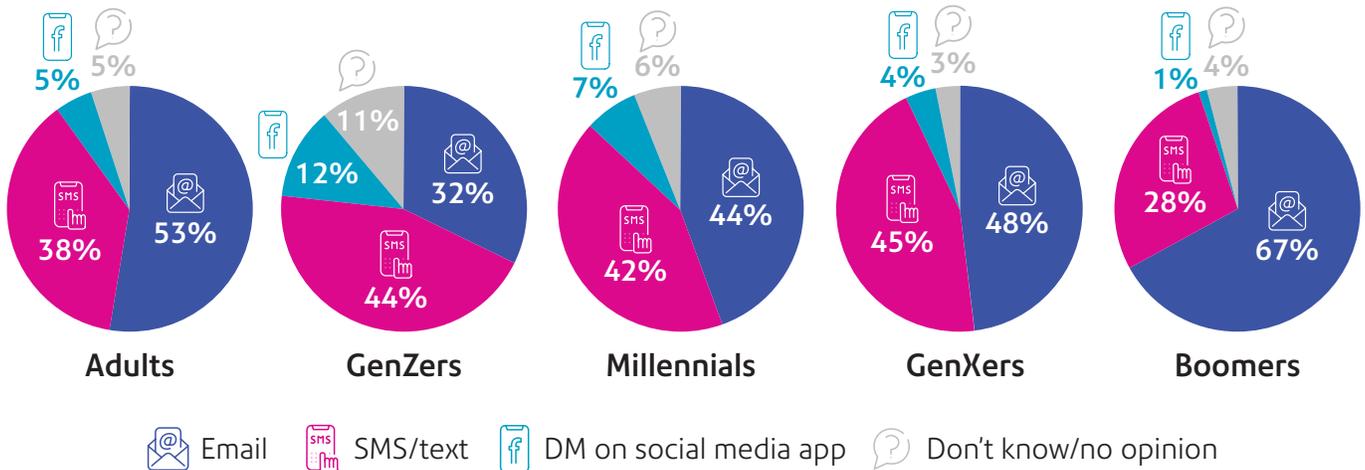
However, email saw declining preference as you move down the age scale. For Gen Z, the #1 preferred channel for tracking notifications is SMS/text (44% vs. 32% for email).

We also found that SMS notifications aren't just for young shoppers. Older consumers—specifically, Millennials and Gen X—were even more likely to opt-in for SMS notifications (78% for each generation). Even Boomers are getting in on the act, with 63% telling us they'd sign up for SMS.

We are seeing results consistent with this finding in our branded tracking solution, Consumer Connect (which we include at no cost to clients of our ecommerce logistics services). Among Pitney Bowes clients who have enabled tracking notifications via our service, 16.3% of tracking page visitors sign up for SMS notifications, and 7.8% of visitors sign up for email notifications—more than 2x adoption rate for SMS compared to email.

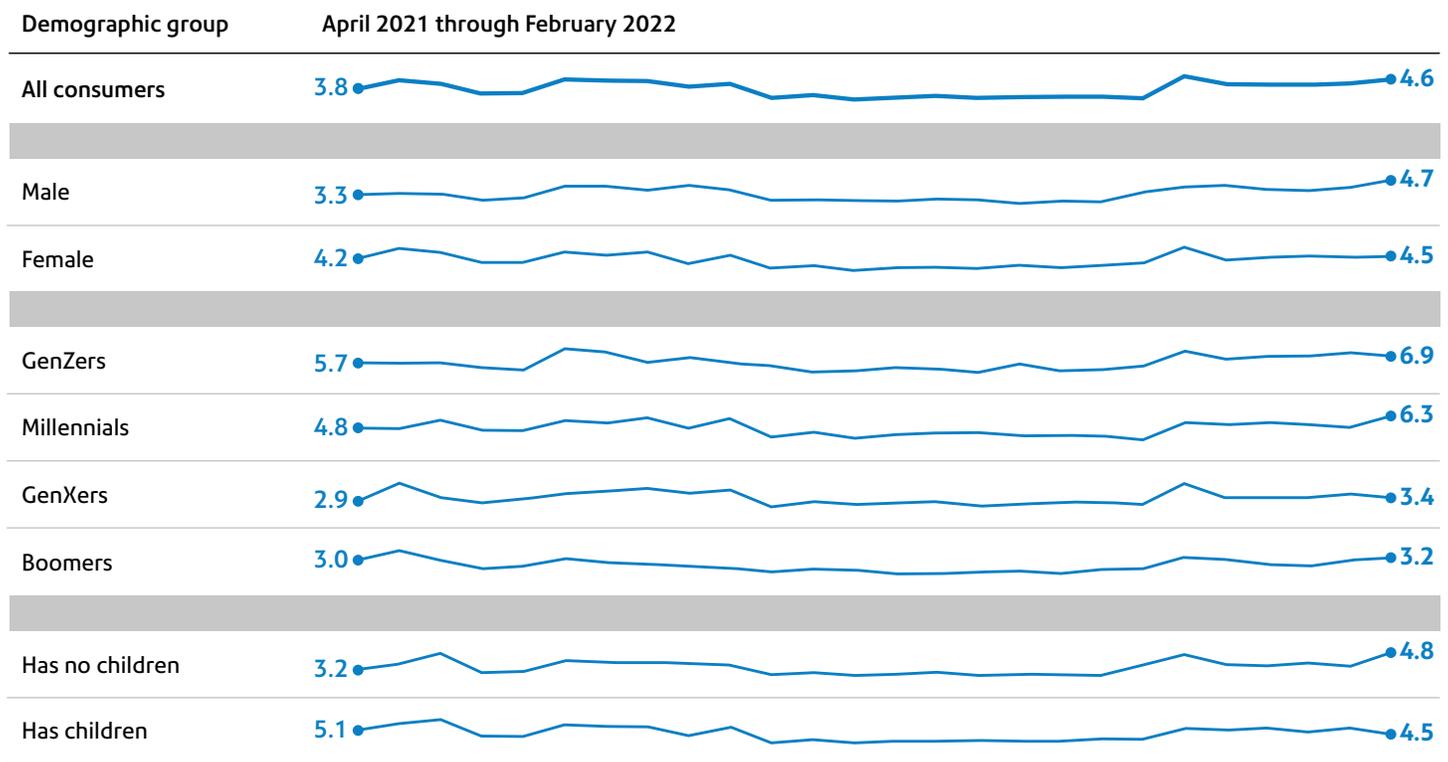
Tracking SMS/text notifications are gaining on email

How do you prefer to receive tracking notifications from online retailers?



Tracking Frequency

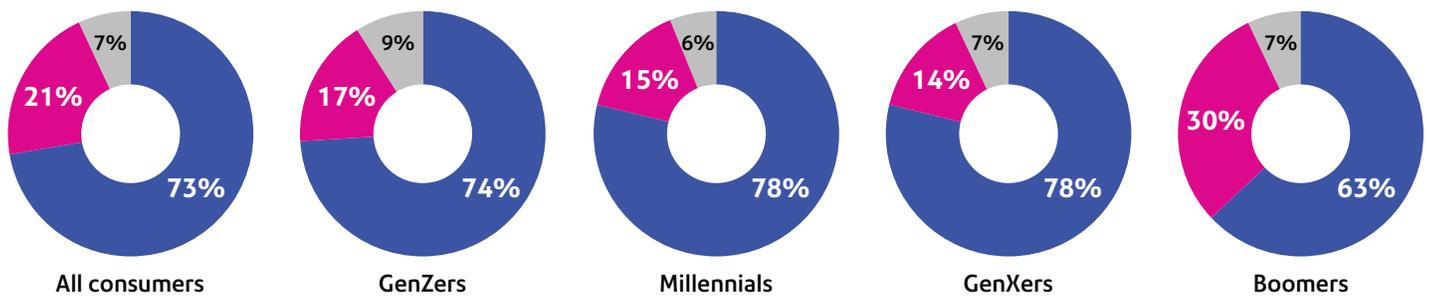
How often did consumers check the tracking on their online orders in the past week?



Source: Pitney Bowes BOXpoll

How likely are you to sign up for a retailer's SMS/text notifications for delivery tracking?

■ Likely to sign up
 ■ Unlikely to sign up
 ■ Don't know



Source: Pitney Bowes BOXpoll

Clickthrough rate benchmarks: email vs SMS

	Campaign	Welcome series	Abandoned cart	Thank you / loyalty offer
Email	2.0%	7.6%	8.4%	5.1%
SMS	9.8%	10.3%	16.2%	14.6%

Email benchmark data from Klaviyo; SMS benchmark data from Postscript.io
All figures are averages across industries.

The click-through results from SMS communications are promising compared to email as well. Comparing 2020 benchmarks from email platform Klaviyo versus data from 2021 SMS data from Postscript.io, SMS tactics can result in a 2-3x better clickthrough performance compared to email.

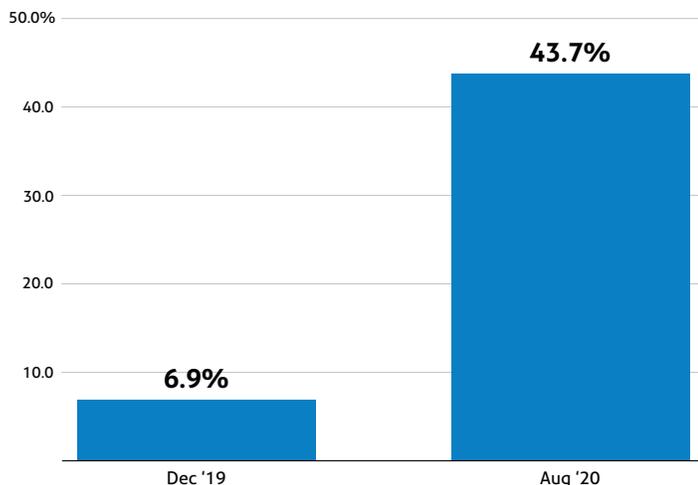
Given these numbers, we recommend retailers offer both email and SMS tracking options, and leverage tracking pages for post-purchase marketing.

Delivery mode

Curbside pickup had a moment (or more) in 2020, with the percentage of top retailers offering curbside pickup in the US growing from 7% in December 2019 to 44% by August 2020, according to Digital Commerce 360.

According to eMarketer, click-and-collect sales (combining curbside and in-store pickup) increased 107% in 2020. In 2021, buy-online-pickup-somewhere sales grew an estimated 15%—significantly slower growth vs. 2020, but growth nonetheless. This is forecasted to grow 20% or more in 2022 and 2023.

Retailers in North America offering curbside pickup, December 2019 & August 2020



Note: Based on 245 retailers from Digital Commerce 360's Top 500 North American Retailers 2020
Source: eMarketer

Given the growth of offering curbside amongst retailers—especially large retailers who have most of the curbs—we wanted to understand how consumers felt about this trend.

Home delivery

We started by asking consumers whether they were more likely to use home delivery or curbside pickup for orders of different categories. Aside from groceries—for which 44% of respondents preferred curbside pickup—no other category garnered more than 25% of consumers voting with the trunks of their cars.

Baby Boomers, whose shopping habits took a hard online pivot in response to the pandemic, lead the home delivery charge. Almost three-quarters of the demographic (73%) prefer delivery over curbside, and we see a 35% difference between those who are “much more likely” and those who are “somewhat more likely” to choose delivery.

Those who have household incomes above \$100K and those who don't have kids follow closely behind in the ranks of Team Strong Preference for Delivery. We attribute high-income shoppers' preference for home delivery to a strong demographic overlap with Baby Boomers. As we've seen in other BOXpoll surveys, people who don't have children tend not to be as crunched for time and have the flexibility to wait for delivery.

The top two factors—by a mile—that drive a choice for delivery over curbside pickup are free shipping and not minding waiting on shipping. This finding supports our previous BOXpoll finding that nearly three-quarters of shoppers prioritize cost over delivery speed. If free shipping is on the table or there's no urgent need for the item, there's not much incentive for the average consumer to leave the house for curbside pickup.

Curbside pickup

Sometimes though, free shipping isn't an option, or an order is time-sensitive. Avoiding shipping costs (show us a shopper who doesn't love free shipping) and getting the item faster than if it were shipped are the top two reasons consumers opt for curbside.

Those who don't have the luxury of time are more willing to sacrifice the convenience of home delivery for the sake of getting

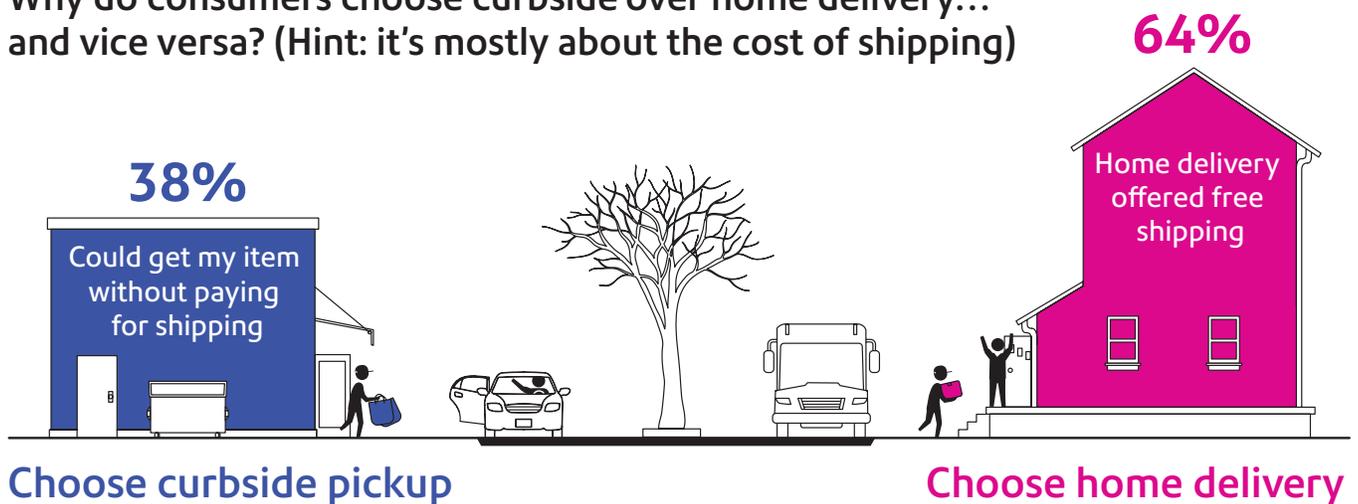
For each of the following product categories, which method of pickup or delivery are you most likely to use?

Product category	Curbside pickup	Home delivery	Don't know
All products in general	23%	64%	12%
Apparel / Footwear / Accessories	14%	67%	19%
Automotive parts / Accessories	23%	44%	32%
Electronics	20%	61%	19%
Home / Garden	25%	46%	29%
Jewelry	16%	47%	37%
Office supplies / School supplies / Stationary	18%	57%	24%
Personal care / Beauty / Vitamins / Nutraceuticals	21%	60%	19%
Sporting goods	15%	49%	36%
Toys / Hobbies / Crafts	15%	58%	26%
Groceries / Food / Beverage	44%	39%	18%
Pet supplies	19%	49%	32%

Source: Pitney Bowes BOXpoll

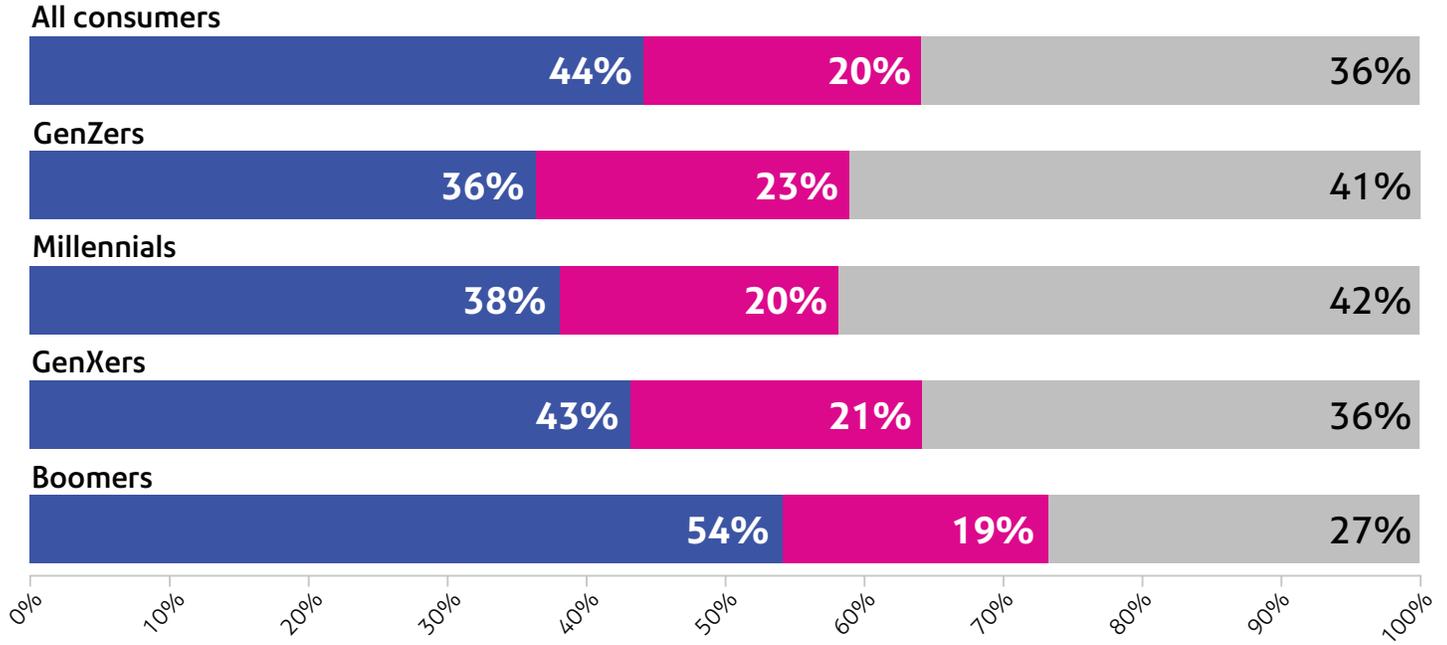
Curb or couch?

Why do consumers choose curbside over home delivery... and vice versa? (Hint: it's mostly about the cost of shipping)



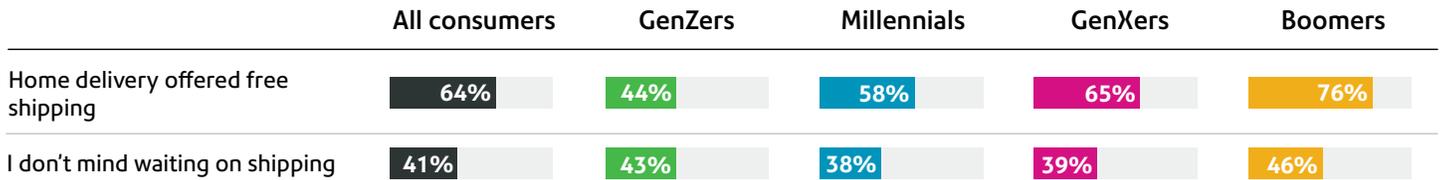
Groups more likely to use home delivery for all products in general

■ Much more likely ■ Somewhat more likely ■ Unlikely/Unknown



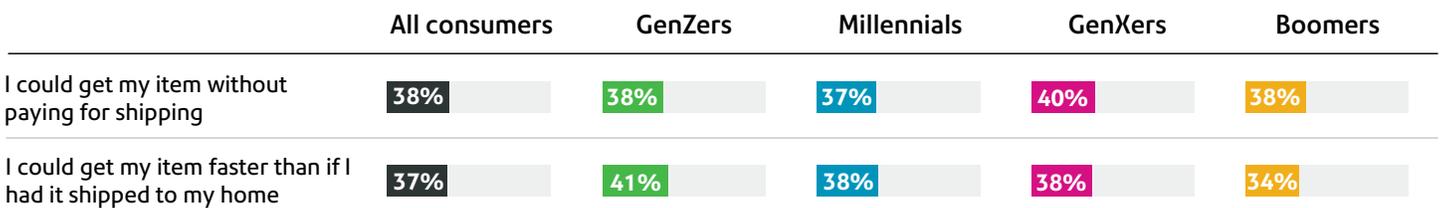
Source: Pitney Bowes BOXpoll

For an online purchase, which of the following factors would influence your decision to use *home delivery* instead of *curbside pickup*?



Source: Pitney Bowes BOXpoll

For an online purchase (other than groceries), which of the following factors would influence your decision to use *curbside pickup* instead of *home delivery*?



Source: Pitney Bowes BOXpoll

their item quickly. Millennials, parents and Gen Z, who we know from previous BOXpoll surveys are the most sensitive to time, are the most willing to opt for curbside.

In-store pickup

When it comes to orders for which a trip to the store is necessary (looking at you, consumer packaged goods), consumers often have two choices: Curbside and in-store. While many store-based retailers have rushed to enable curbside for COVID-concerned (or

curbside-accustomed) shoppers, it's logistically complex and time-consuming.

Retailers looking to shift curbside orders toward in-store pickup should focus on providing an in-store experience worthy of being a few minutes late to the next appointment. Shoppers ranked enjoying the browsing experience above checking out promotions as the number one reason to get out of the car.

In which scenarios would you choose to pick up your order in-store instead of using curbside pickup?

Scenarios	All consumers	GenZers	Millennials	GenXers	Boomers
I like the experience of browsing the store and may be interested in other products the store sells	44%	43%	42%	46%	44%
I want to quickly check out what's on sale	33%	35%	34%	33%	32%
There's another item I'm looking for that I forgot to add to my online order	33%	31%	32%	33%	33%
I have small / light order to pick up	21%	24%	20%	20%	22%
I have another customer service matter I need help with	20%	17%	20%	22%	21%
I have a big order to pick up	15%	20%	17%	15%	9%
The store is busy	11%	15%	13%	11%	8%
I'm not interested in other products the store sells	7%	9%	6%	7%	7%
I would never choose in-store pickup over curbside pick-up	12%	6%	9%	13%	16%

Source: Pitney Bowes BOXpoll

Unboxing Experience

Value of packaging

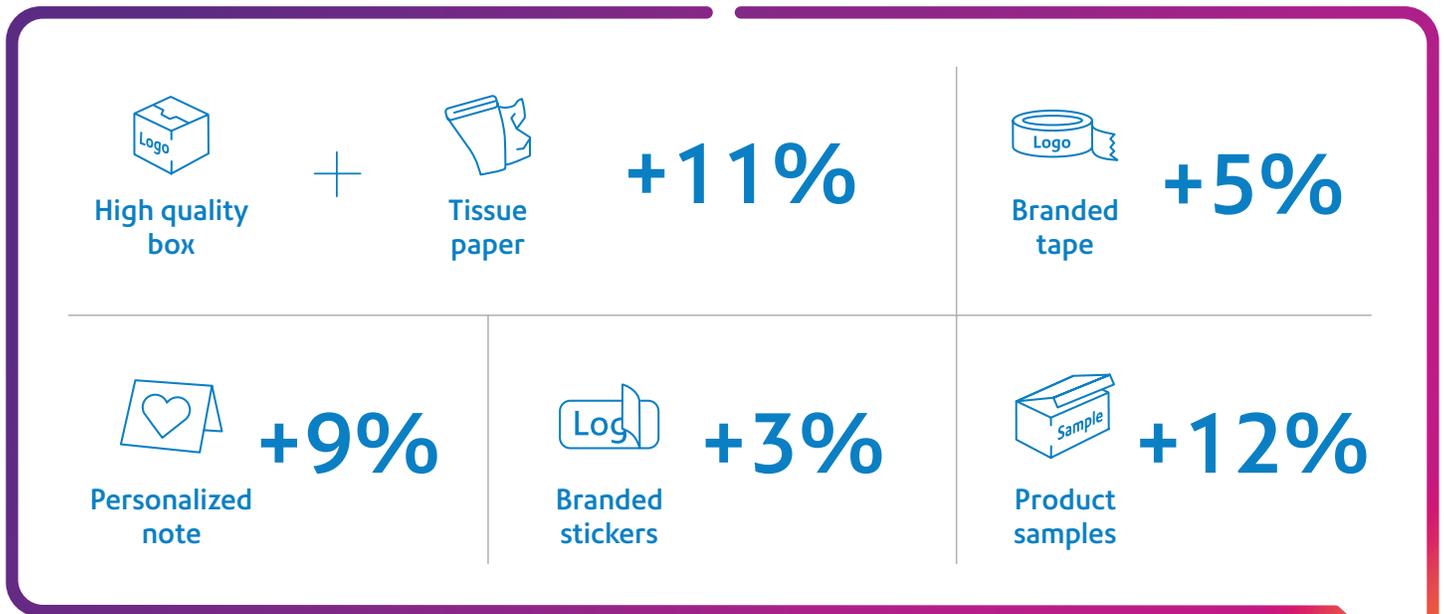
In 2020, we asked consumers how receiving online deliveries made them feel. The answers were illuminating and, also, kind of pitiful as they ranged from “feel like a kid at Christmas” to “it’s a reason to go outside.”

When we revisited the topic of the unboxing experience in 2021, we created a hypothetical scenario in which we asked consumers questions about distinct types of packages someone else received (taking personal preferences and the emotional response of receiving a product you wanted out of consideration).

We asked them how much they think different packaging features might have cost the original intended recipient of different packages containing the same product (we picked a product with generally consistent pricing: Pillar candles).

We then looked at the net differences in the average value between these options to arrive and what consumers think each of these individual packaging options are worth (as a percentage of the original item’s value). Here’s what we found:

How much do consumers think packaging is worth?



BOXpoll™ by Pitney Bowes, a weekly consumer survey on current events, culture and ecommerce logistics. Conducted by Pitney Bowes with Morning Consult // 2094 US consumers surveyed April 2021. © Copyright Pitney Bowes Inc.



Plain + Branded



Branded + Tissue



Branded + Tissue + Card



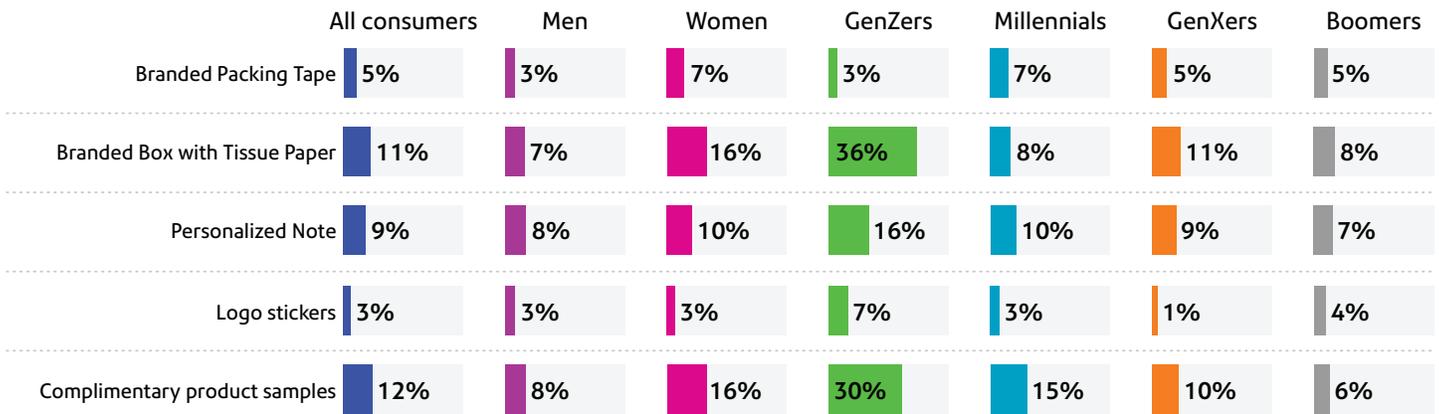
Branded + Tissue + Card + Sticker



Branded + Tissue + Card + Sticker + Samples

How do different segments of consumers value packaging features?

We asked consumers to tell us how much they thought each of the following features were worth. Note that percentages below are *average percentage of base order value*.



Source: Pitney Bowes BOXpoll

As actual products in and of themselves, it's no surprise that complimentary product samples had the highest net value at 12% of the order value.

Key takeaways:

- Gen Z assigns the highest value of 30% to product samples, compared to 15% for Millennials, 10% among Gen X and only 6% among Baby Boomers.
- Also, particularly partial to samples: Women (16%) who assign double the value compared to men (8%).

Higher quality packing materials, like a branded box with tissue paper, came in second place at 11%—a particularly high ROI given the low relative cost of these materials.

- Baby Boomers place a higher premium on tissue paper in branded box (8%) compared to all other features that age group evaluated.
- Gen Z assigns an incredible amount of value to a branded box with tissue paper, coming in at a shocking 36% of order value.

Rounding out the top three highest value features was the personalized note, with an average net value of 9%—validating curated subscription box packaging practices.

- Unsurprisingly, personalization resonates more with mid to high income vs. lower income consumers.
- Women (10%) are more inclined than men (9%) to respond positively to a personalized note.

Value of holiday gift wrap

Given that holiday gift wrapping is its own animal, we dedicated special coverage to the topic.

Ahead of the 2021 holidays, two-thirds of consumers (66%) said in BOXpoll surveys that they were shipping the same number or more gifts than last year, with an average of more than 5 recipients per shopper. One in four Gen Zers and one in five Millennials said they were shipping more holiday gifts to recipients than they did in 2020.

Given how much consumers expected to spend on holiday presents, we wanted to know whether all that gifting is driving wrapping anxiety.

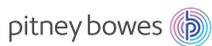
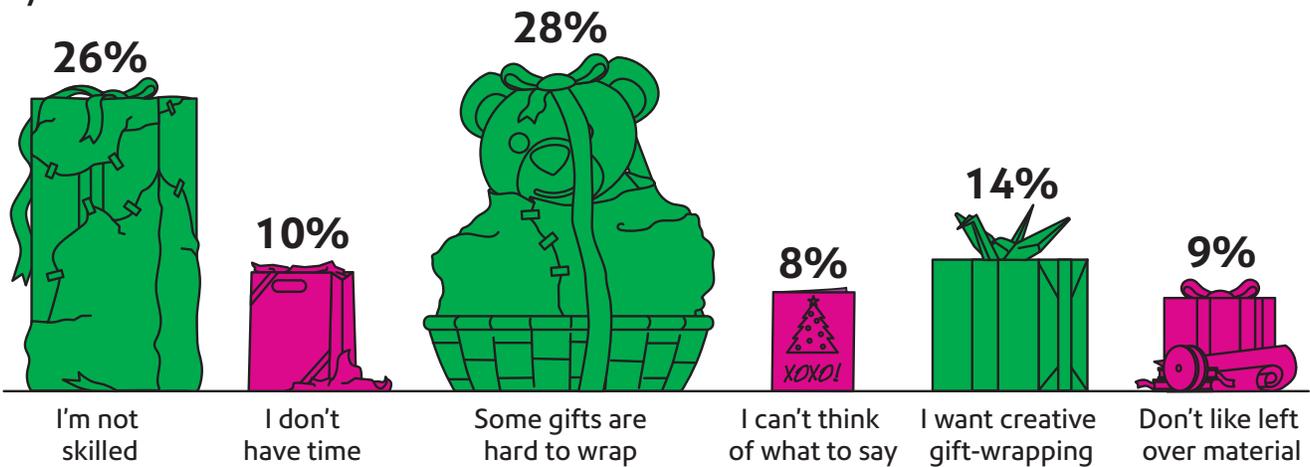
In holiday BOXpoll surveys, most consumers (64%) and about three-quarters of Gen Zers (75%) and Millennials (71%) told us they had at least one reason to dread gift packaging—so much so that they'd pay someone else to do the packaging for them.

Our main takeaway: It's not about time, it's about skill and creativity.

We were expecting to see the aforementioned trend of busy Millennials (often parents) listing time as a top value, but when it comes to reasons consumers would pay for gift-wrapping, time doesn't crack the top three.

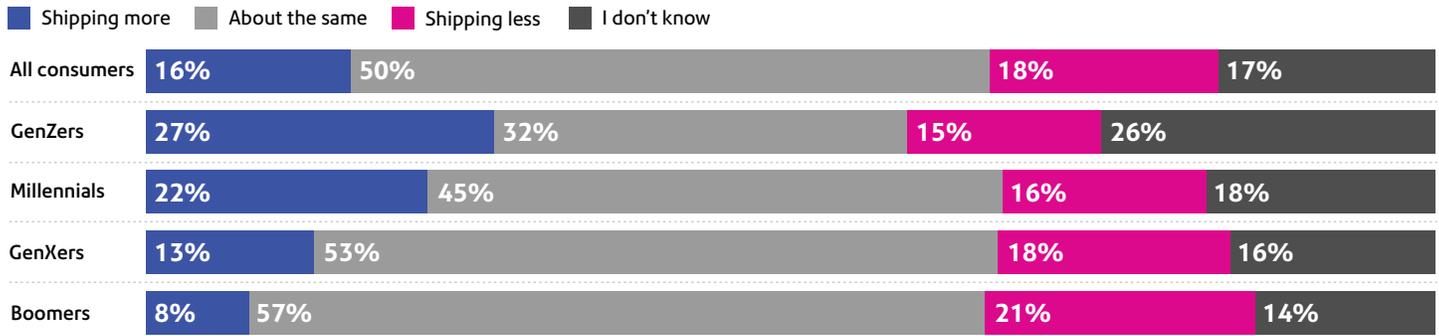
Wrapped up in frustration

Reasons why consumers say gift wrapping is frustrating enough to make them want to pay someone else to do it



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Compared to last year, how many holiday gifts are you shipping to the recipient, rather than giving in person?



Source: Pitney Bowes BOXpoll

- A quarter (28%) of consumers and one-third of Millennials (32%) will pay to avoid packaging a hard-to-wrap gift. Sellers of plush toys, large, wheeled objects and other oddly shaped goods, take note.
- A quarter (26%) of consumers, consistent across generations, will pay because they feel they aren't skilled at gift-wrapping. If you can save them the embarrassment of botching a simple box wrap or the beginner's gift bag/tissue paper combo, it's a win for both parties.
- One in five Gen Zers (20%) don't feel that they can package a gift as creatively as they would like. This is an opportunity for retailers to differentiate (and boost their brand) by offering outside-the-box options.

Herein lies an opportunity for retailers: Turn gift packaging into a holiday revenue driver (provided your fulfillment center can support this service).

Key takeaways:

- Baby Boomers win Scrooge award. More than three-quarters of Boomers will not pay for any gift packaging, regardless of type. This skews the percentage of those who would pay significantly downward for each category. Those who would spring for packaging would pay significantly less than other generations, skewing those averages downward as well. Maybe we should give MeeMaw and Pops a Data Outlier award, too.
- The most popular type of gift packaging is what you'd expect: wrapping paper or a gift bag. Almost half of consumers (43%) would opt for the outer packaging, with more buy-in from younger shoppers (52% of Gen Zers and 54% of Millennials).
- The most valuable type of gift packaging to the average consumer (who would pay) is the least expensive for retailers to provide: Better quality inner packaging. Tissue paper is worth about \$10 to both Gen Z and Gen X, and a whopping \$12.45 to Millennials.
- Gen Z's most valued option is a personalized notecard or handwritten note, worth a whopping \$12.39.

How much extra would you pay to have a retailer apply the following gift packaging options to an online purchase?

Gift packaging options	Average amount consumers would pay	Percentage of consumers who would pay
Wrapping paper or gift bag	\$8.87	42%
Personalized notecard or handwritten note	\$9.41	29%
Ribbon or bow	\$8.08	35%
Better quality inner packaging instead of bubble wrap	\$10.27	27%
Better quality outer packaging versus standard cardboard box	\$10.08	30%

Source: Pitney Bowes BOXpoll

We also found that two-thirds (66%) of consumers (and more than three-quarters of Gen Zers and Millennials) will pay something if offered one of the following features:

Which of the following features might make you more likely to pay to have the retailer add gift features to an item you purchase online?

Reason	All consumers	GenZers	Millennials	GenXers	Boomers
A preview image of what the gift-wrapping will look like	32%	34%	37%	33%	28%
A choice between multiple different packaging options	30%	39%	34%	32%	23%
An option to add a hand-written note (for example, scanning a note or uploading an image)	22%	34%	26%	21%	16%
Eco-friendly or reusable gift-wrapping	24%	34%	29%	26%	18%
Provide a personalized delivery tracking page that you can send to the gift recipient, with up-to-date shipment status and a customized message/design	24%	30%	29%	24%	18%
None of the above	34%	21%	24%	33%	45%

Source: Pitney Bowes BOXpoll

Key takeaways:

- Preview images are valuable to more than a one-third of Gen Zers, Millennials and Gen Xers. And while Baby Boomers continue to be the least interested age group for any given option, one in four (28%) Boomers are more likely to pay for a wrapping job if they can see what they're getting first.
- Choice between multiple different packaging options has similar popularity, with 39% of Gen Zers, one-third of both Millennials and Gen Xers, and one-fourth (23%) of Baby Boomers showing interest.
- Eco-friendly or reusable gift-wrapping is exciting to one-third of Gen Zers, but falls a bit flat with older generations.

Which of the following aspects about wrapping presents frustrate you so much that you would pay to have someone else do it for you?

Reason	All consumers	GenZers	Millennials	GenXers	Boomers
I'm not skilled at gift-wrapping	26%	28%	29%	28%	23%
I don't have time to wrap gifts	10%	10%	12%	12%	7%
Some gifts are hard to wrap	28%	29%	32%	27%	27%
I can't think of what to say in greeting card or personal note	8%	15%	12%	7%	4%
I want creative gift packaging but am not a creative person	14%	20%	18%	15%	8%
I dislike having too much gift-wrapping material left over	9%	12%	10%	9%	8%

Source: Pitney Bowes BOXpoll

Returns

Returns Experience

We'll admit it: We're big fans of returns here at Pitney Bowes.

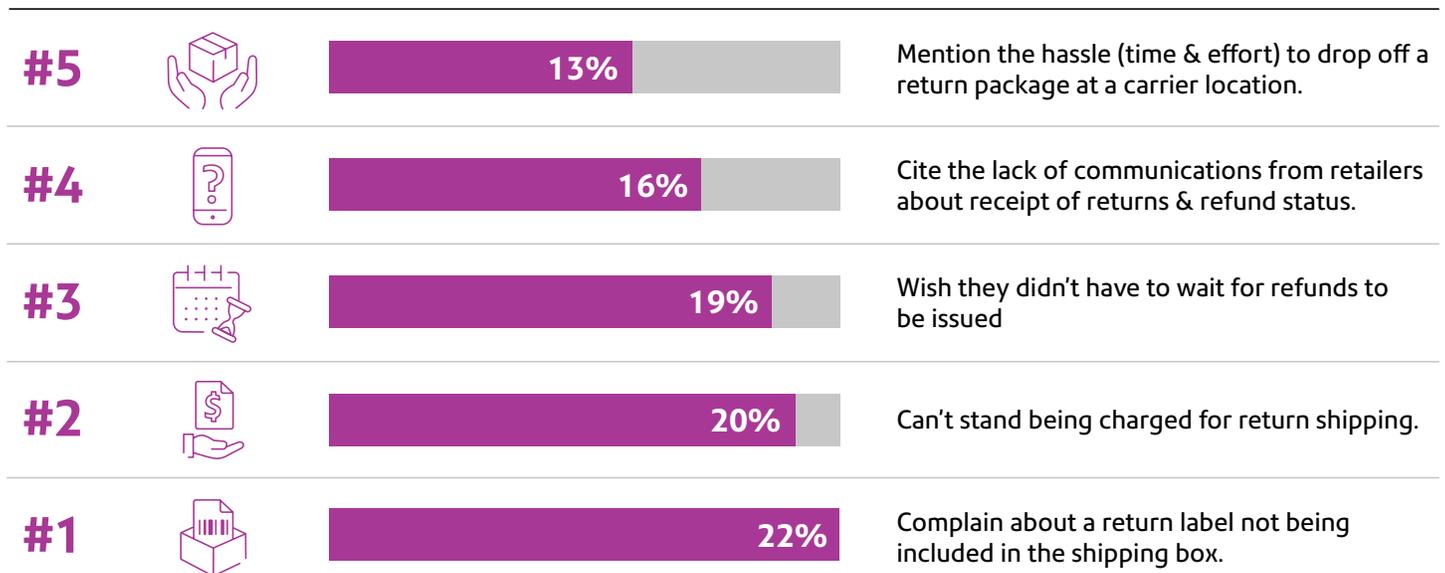
Returns bring customers back and create opportunities to make them happy—after all, how often do you get second chances? Meanwhile, an inconvenient return could tarnish your brand with the perception of being customer-hostile. According to our surveys, 80% of consumers rank returns as important to the overall order experience, tied at the #1 spot with unboxing, and significantly ahead of steps like checkout and delivery.

- 3 in 4 consumers (76%) report that they have returned at least one item from their last few online purchases.
- How did they fare? 78% said the returns process was inconvenient, while only 22% said the process was easy.

Here are the top five reasons consumers said returns weren't a walk in the park in 2021:

What makes returns a pain for customers?

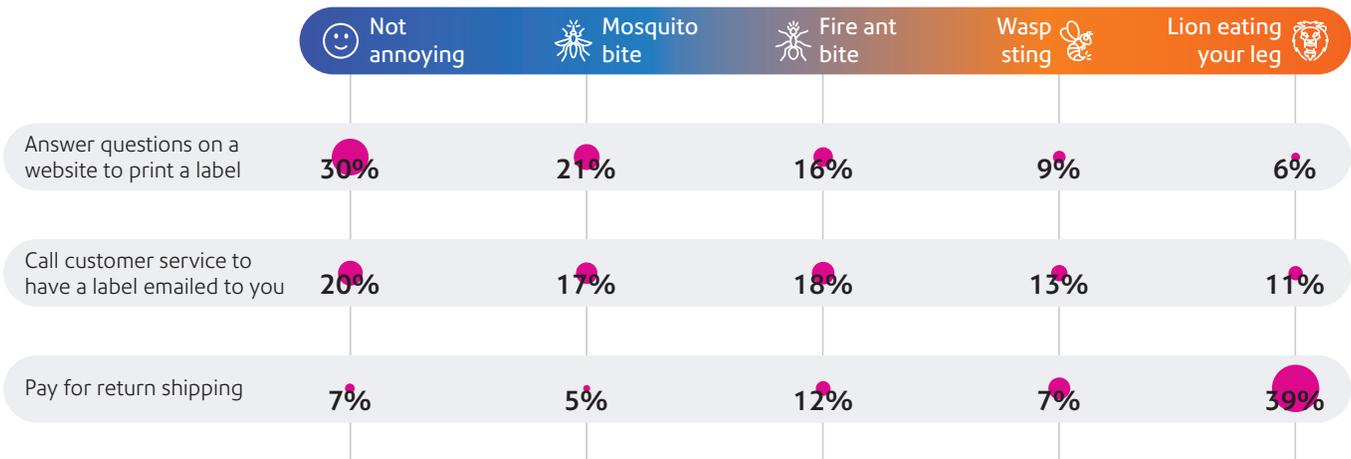
Here are the top 5 reasons consumers say recent returns “could have been more convenient”



Source: Pitney Bowes BOXpoll

How painful do consumers find returns authorization?

We asked consumers to rate their experiences on an “annoyance” scale...



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BOXpoll

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Printing shipping labels

Printers—required by many retailers to print shipping labels for home pickup—remain a point of friction for consumers.

More than half of all consumers (59%) and more than two-thirds of Gen Z shoppers (71%) say they either don't own a printer or prefer not to use it to print labels at home. This sentiment hasn't changed since the 2020 holiday season, and it's a big contributor to consumers' number one complaint about returns: The label not being included in the shipping box.

RMA's

We asked BOXpoll respondents to rate various returns initiation processes—traditionally referred to as “Return Material Authorizations” or RMA's—on a metaphorical scale from “mosquito bite” (1) to “lion eating your leg” (5). Here's how emphatically consumers said “ouch” to three processes retailers ask us about often:

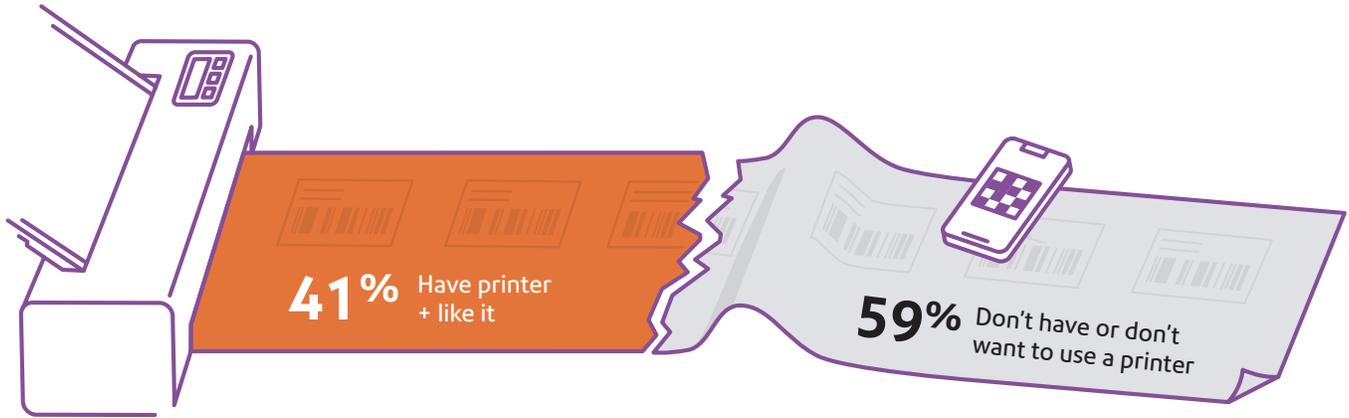
Given consumers' feelings about printers (addressed in the previous section), having the return label included in the box with the order is the least painful option—but few retailers (aside from curated subscription box companies) are willing to entertain due to resulting elevated return rates.

Also unsurprising, paying for return shipping was the most painful process for consumers among the options we surveyed. This was after we caveated that “most annoying” was akin to “a lion eating your leg.” That's right, you heard it here first: For nearly 40% of consumers, paying for return shipping is literally like having a limb ripped off.

Returns-cost-averse merchants should be aware, though, that consumers are more amenable to having return shipping deducted from their refunds than being charged for shipping directly. Less than one-third (31%) are “extremely annoyed” by this practice.

Printing labels at home is controversial

More than half of consumers don't have or don't want to use a printer.



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Are returns a convenience wasteland?

Here's how consumers say they felt about their most recent returns experiences.

78%
Inconvenient



22%
Easy



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Retailers hesitant to introduce the RMA process—where the consumer fills out an online form that determines return eligibility or refund amount prior to receiving a shipping label or QR code—take note: Consumers don't find this process all that annoying. Both standard label and printer-less RMA options were among the second least annoying of the returns initiation options we surveyed.

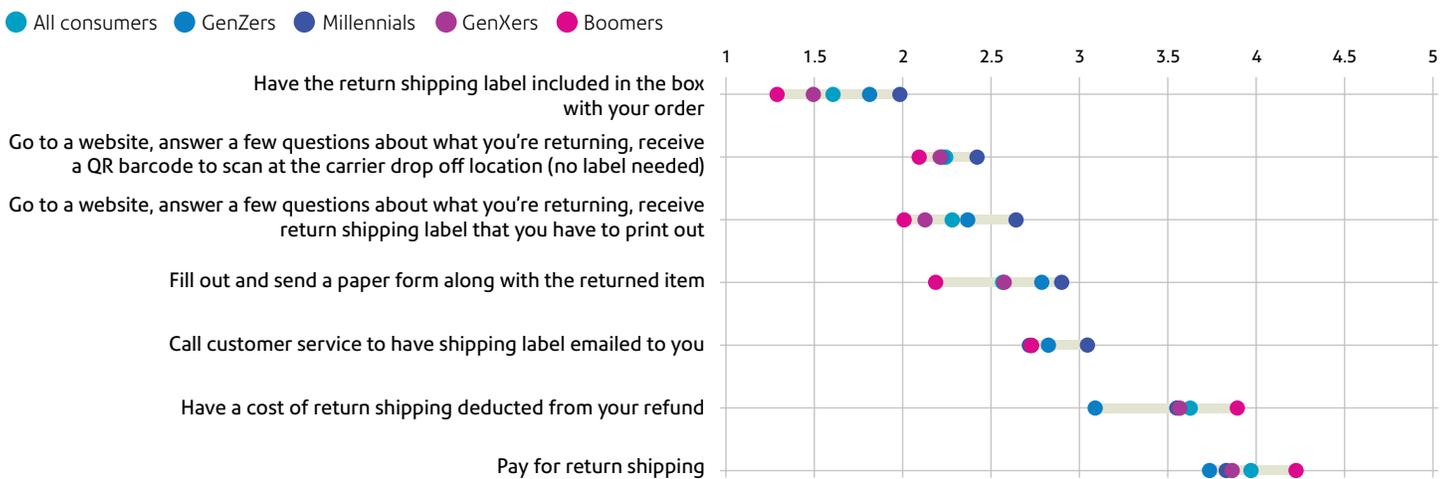
When looking at responses based on age groups, we found some surprising insights:

- Millennials are more annoyed by every returns process—except getting charged for returns, where their sentiments trail the average.

- Interestingly, Gen Z consumers are the least annoyed by having to pay for return shipping, especially if the cost is deducted from their refund.
- While our previous surveys found that most younger consumers either don't own or don't use a home printer to print return shipping labels, there wasn't a significant difference between age groups in the perceived friction of having to print a label or using a QR code when dropping off a package.
- When it comes to income and gender, returns activities are 'equal opportunity annoying'—that is, there aren't significant differences in responses between those demographic groups among the returns options present. Let's just say everyone is cranky.

RMA processes, age... and crankiness

We asked consumers to rate their pain/annoyance with various Return Material Authorization (RMA) related processes on a scale of 1 (least painful) to 5 (most painful).



Source: Pitney Bowes BOXpoll

What returns option would consumers choose if it meant getting a faster refund?

We asked consumers to rank six different returns options (1 being most preferred). "Normalized" ranks what 'place' each option finished based on the "average" ranking across all respondents.

Returns Process	Normalized Rank	Average Ranking
Go to a website, answer a few questions about what you're returning	1	2.56
Call customer service	2	2.85
Go to a returns counter (inside a mall or other retail location) to have an item inspected	3 (tie)	3.40
Receive store credit instead of refunding to your original payment method	3 (tie)	3.49
Have the cost of return shipping deducted from your refund	4	4.01
Pay for return shipping	5	4.69

Finally, we asked consumers about tradeoffs in the returns initiation/RMA process. What additional hoops would they be willing to jump through—what additional caveats would they accept—if it meant they could get their refund faster?

This ended up being an exercise in perceived cost or effort. How much do consumers think each of these options will cost them in money or time? This opens a window into the psychology of consumers. For example:

- Calling customer service was not much more “costly” than filling out a form on a website. Admittedly, this response was heavily skewed by responses from Baby Boomer respondents.
- Going to a returns counter (inside a mall or retail location) was almost the same “cost” as receiving a store credit—meaning consumers either don’t value their time (or transportation cost) that much, or the stickiness of repeat purchase isn’t that high.

It shouldn’t come as a surprise, though, that simple online RMAs again received the highest endorsement, with consumers telling us that filling out an online form was the process they’d most likely be willing to follow for a faster refund.

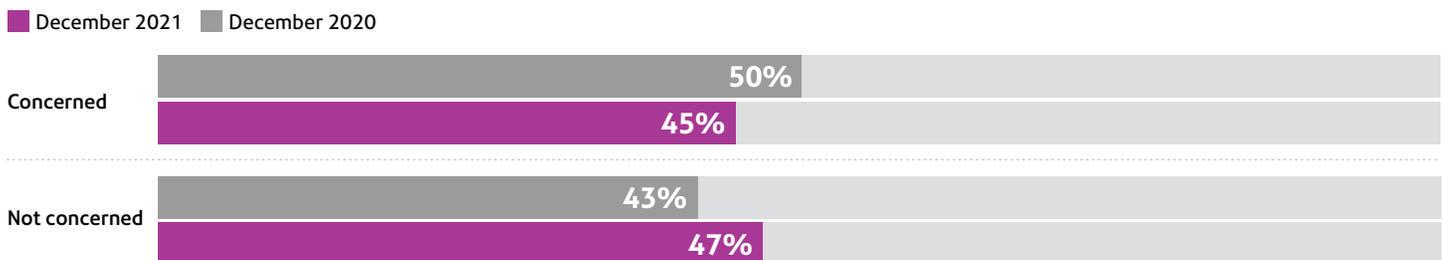
Clients using our own customizable RMA portal—part of our Consumer Connect app—know that setting up an RMA process is easy, and can pay dividends in lowering returns costs, fraud and improve merchandising insights.

Return-to-Credit Timeline

While half of consumers were worried about timely refunds from online returns after the holiday 2021 peak season, that number has fallen slightly since the 2020 holiday season.

We anticipate this is driven by a segment of consumers who are more likely to return online purchases at brick-and-mortar stores now, where they can expect a faster refund. (This was a much less popular option in 2020, before COVID-19 vaccines became widely available).

Compared to last year, consumers are slightly less concerned about being reimbursed quickly.



Source: Pitney Bowes BOXpoll

Returns Features

Those who aren’t willing or able to return items at physical stores are generally left with two options: Either drop the item off at a carrier location, or have a carrier pick up the return at home. Which of these options consumers prefer continues to be influenced by how they define convenience in the time of COVID-19.

Home pickup

Our BOXpoll surveys show nearly half of consumers (46%) are likely to use home pickup, and only 30% who say they are unlikely. We found correlations between likelihood of using home pickup and population density, as well as parenthood and of course, COVID-19 concern.

Key takeaways:

- 56% of urban dwellers said they were likely to use home pickup, more than the 44% of suburbanites and 39% of rural dwellers.
 - Urban residents cited not having to drive (and saving on gas) as top reasons to opt for home pickup.
 - Suburban/rural consumers are generally less sensitive about getting out and about in the current pandemic environment (as of time of publication).
- 57% of respondents with children are likely to use home pickup, versus 41% of non-parents.
- Half (51%) of people concerned about COVID-19 are likely to use home pickup, compared with just one-third (33%) of those who aren’t concerned.

Those who said they are likely to use home pickup for returns cited convenience and avoiding stores out of concern for COVID-19.

Most who said that they are not likely to use home pickup for returns said they would either rather return it themselves or that they don’t trust at-home pickup. The phrase “porch piracy” made several guest appearances.

Why people use home pickup

"I have 2 young children and this is easier than leaving the house to deliver it."



"The convenience of not having to go to a shipping center or post office, but also the safety of not being exposed to coronavirus."



"Less contact with the public during a pandemic sounds good to me."



"Saves gas, money, and time."



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Why people don't use home pickup

"I would worry about leaving the item out to be picked up."



"I don't trust that my return will be processed properly unless I am face to face with a store clerk or receiving a receipt indicating I did bring the item back."



"I do not have a printer to print a label. Nor do I have the supplies to package a return."



"Would probably cost money."



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We saw in 2020 BOXpoll surveys that half of consumers didn't know the USPS offers free residential pickup. That hasn't changed, given that in January 2022, many respondents mentioned cost as a reason they weren't likely to use home pickup (alternately, major carriers have trained consumers—via retailers—that home pickup was a luxury). This is a continued opportunity for retailers partnering with postal returns services to win that segment over by emphasizing free home pickup.

Where consumers live also has a lot to do with which returns process they prefer. Half of all shoppers (53%) live in a location that makes home pickup easy, but there's a stark generational divide. While about 60% of Baby Boomers and Gen Xers live in pickup-friendly location, that percentage drops into the 40s for Millennials and Gen Zers.

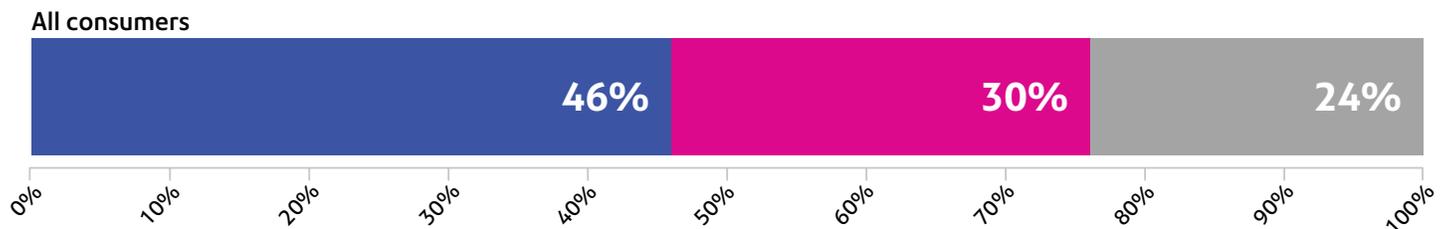
We know from our open-ended responses above that security is important: Apartment dwellers say they are either unable to leave a package on their doorstep, or not comfortable with the idea.

Surprisingly, given the dispersion of consumers during the pandemic, the proportion who live in apartments or other places where home pickup is challenging (29%) remained comparable to last year (31%). This suggests 2021's competitive housing market—with low interest rates, low inventory and high demand converging to create sky-high prices for both buyers and renters—kept many consumers from moving out of apartments and into larger homes.

How likely are you to use home pickup to return a purchase you made online?

Some retailers offer home pickup for returns, where a carrier will come to your home and pick up an item you have packed and labeled yourself. How likely or unlikely are you to use this as a return option?

■ Total likely ■ Total unlikely ■ Don't know/No opinion



Do you have problems using home pickup for returns?

Inconvenient locations for home pickup	2020	2021
Apartment complex: I can't drop off packages to be picked up and returned by a carrier	8%	8%
Apartment building: I can't leave my packages with a doorman to be picked up and returned by a carrier	7%	7%
House: Packages can't be picked up from in front of my home to be returned	11%	11%
Another location: I can't leave packages in front of my home to be returned	5%	3%
Total: inconvenient or impossible home pickup locations	31%	29%
<i>I have no issues with return packages being picked from my home</i>	53%	53%

Source: Pitney Bowes BOXpoll

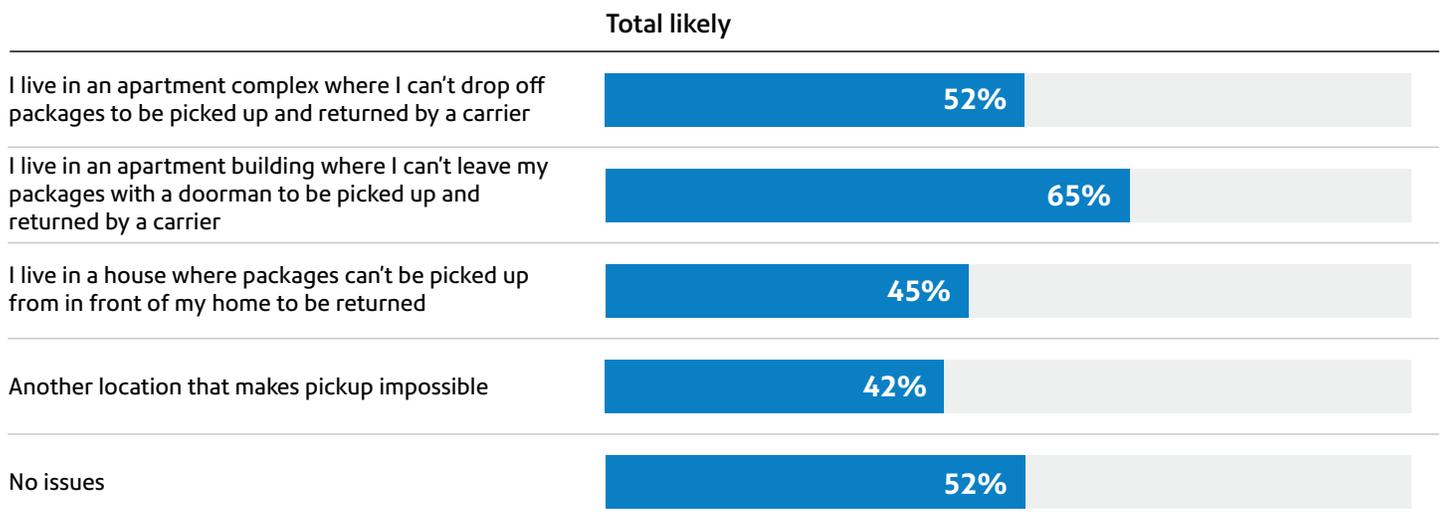
One statistic we were surprised to see: About 50% of consumers who live in any given place that makes home pickup impossible said they were likely to use it as a return option, suggesting that they would if they could. This bodes well for retailers pushing home pickup, as secure package lockers become available in more neighborhoods—not to mention the proportion of current apartment-dwellers who plan to move to single-family homes in the future.

Drop-off locations

When it comes to drop-off returns, the post office continues to be the most-preferred location among consumers.

It makes sense to see some slight movement in overall rankings since more consumers were open to returns drop off in December 2021 than in 2020. Though many were still concerned about the pandemic when we polled this question in 2021, that concern wasn't keeping as many consumers out of brick-and-mortar locations.

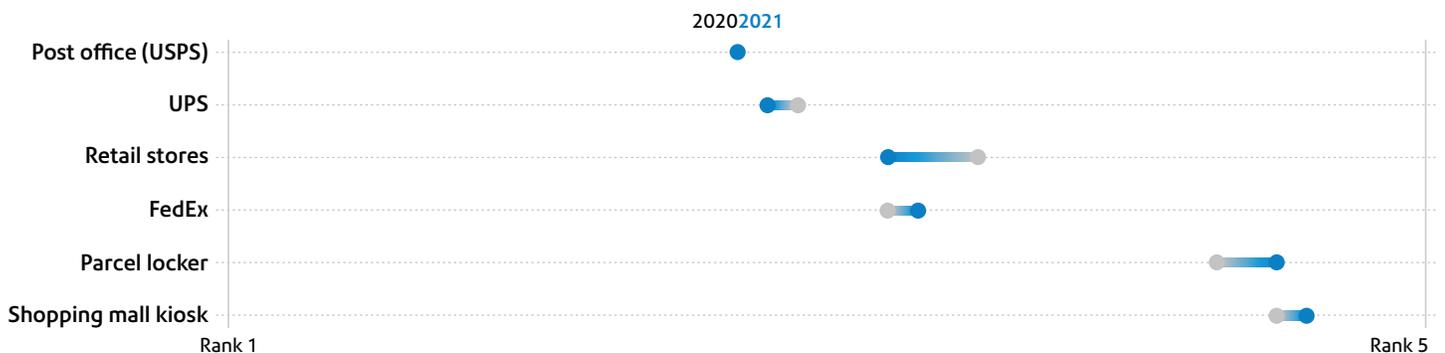
Would you be likely to use home pick-up for returns if it were possible?



Source: Pitney Bowes BOXpoll

What is your preferred location to drop off a return package?

We asked consumers to rank (on a scale of 1 to 5, with 1 being the highest) the most common returns drop-off locations, comparing average rankings from December 2020 and December 2021.



Note that small changes in averages may be attributable to our survey sample margin of error.

Source: Pitney Bowes BOXpoll

Conclusion

2021 (and so far, 2022) have been marked by dramatic shifts in consumer behavior, the continued effects of the COVID-19 pandemic, rising inflation, and unprecedented supply chain challenges, forcing retailers to be nimble and think outside the box to meet shopper expectations.

We developed the 2021-2022 Order Experience Index as a resource for online retailers to make data-driven decisions for each step of the order experience—in 2022 and beyond.

For the freshest data from our weekly BOXpoll surveys, please visit <https://www.pitneybowes.com/us/blog/box.html>.

About Pitney Bowes

Pitney Bowes (NYSE:PBI) is a global shipping and mailing company that provides technology, logistics, and financial services to more than 90 percent of the Fortune 500. Small business, retail, enterprise and government clients around the world rely on Pitney Bowes to remove the complexity of sending mail and parcels. For the latest news, corporate announcements and financial results visit <https://www.pitneybowes.com/us/newsroom.html>.

For more information, visit Pitney Bowes online:
pitneybowes.com.