

Has same day delivery killed the last-minute in-store Christmas shopping rush?

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THE SURVEY



In the run up to the 2015 Christmas shopping rush, Argos became the first British retailer to offer a same day service across the UK up to 10pm, seven days a week.

Argos introduced the service, which covers 20,000 items, for a fee of £3.95. In response, other online retailers upped the ante with their own same-day delivery services, including Currys and PC World.



But what was the impact across the retail industry in the UK as a result? And what impact did these new, shorter delivery times have on last minute in-store shopping in particular?

62.5%

reported a drop in
IN-STORE PURCHASING

When we asked you, a significant 62.5% of you reported a drop in in-store purchasing, while 25% said you still had a Christmas rush. Here's what one retailer said of their experience:

I think there was still a last minute rush, but nowhere near as much as in previous years.

25%

still reported a
CHRISTMAS RUSH

Meanwhile another explained how the increase of same and next-day delivery was impacting retailers:

Same and next-day delivery from Amazon, Argos, Currys etc ups the ante for all retailers, even direct retailers. Expectations of delivery within a very short timeframe are rising, and this challenges many business models including those which rely on despatch direct from suppliers' warehouses.

A delivery two days late can result in negative reviews in social media. Online price comparison prior to purchase is now the norm, which puts pressure on margins unless goods are entirely exclusive to the retailer. Own-brand retailing provides a degree of protection as do exclusive distribution agreements for the UK. Otherwise, yes, Amazon is going to eat your lunch as with no UK corporation tax to pay, they require lower margins.

But what about the general public? What did they have to say about new, faster delivery times? And would they influence their purchasing decisions?

Of the total population **32%** would be likely to use a same day delivery service from any retailer in the future.

26% of those who have not used a same day delivery service would be likely to use one in the future.

33% of the total population would be more likely to shop with a retailer if they offered a same day delivery service.

This increases to **74%** of those who used a same day delivery service in December.



Kate Bewick, Associate Director at ICM Unlimited, said of the findings:



83% of the people who used same day delivery in December are likely to use it again in future. These figures give retailers a clear indication of the advantage delivery can offer

in the very competitive market retailers operate in – particularly in the light of some of the disappointing Christmas trading figures that have already been released.

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Like it or loathe it, same and next day delivery looks set to stay. And it will be interesting to see in Christmas 2016 how many more retailers join in to avoid last minute shopping in-store losses.

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Sources

Christmas 2015 was the season of same day delivery, ICM Unlimited reports
<http://www.retailtimes.co.uk/christmas-2015-was-the-season-of-same-day-delivery/>



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