

Consumer use and experience of parcel sending services

The size of the UK parcels market has grown by over 50% since 2010¹. Much of this growth is driven by parcels sent to consumers from online shopping, but consumers and small businesses are also sending parcels in greater numbers. The consumer parcel (C2X) market is broadly split between 3 types of parcel: returns of items bought online or by mail order, parcels sent to family and friends, and items that have been sold on online marketplaces or through small businesses.

The market is changing rapidly, and it's important that consumers can navigate this market effectively and are able to choose the most appropriate products for the best price. It's also important that consumers are able to solve their problems easily when things go wrong.

This report brings together our recent work on C2X parcels which found that although consumers are generally satisfied, there is a problem with over 1 in 10 parcels that are sent. And when problems arise, many consumers find them difficult to resolve. We're therefore calling on parcel operators and brokers to improve the consumer experience by:

1. **Making insurance restrictions and packaging guidance clear**
2. **Improving their channels of communication**

Our role as consumer watchdog:

Citizens Advice is the official consumer watchdog for the postal sector. Our role is to ensure postal services and post offices meet the needs of consumers in a way that is fair and accessible for all, with particular regard for vulnerable consumers.

If you've had an issue with sending or receiving post that you need help to resolve call our consumer helpline on: 03454 04 05 06 or if you want to contact us about your local post office email: postofficechanges@citizensadvice.org.uk

**citizens
advice**

388
million
C2X
parcels
sent each
year ²

29% of people
send a parcel at
least once a
month

60% of people
send a parcel at
least once
every 6 months

C2X
parcels
make up
18%
of the
parcels
market ³

Each year consumers send...

90m
returns

120m
parcels to
family and
friends

130m

items sold on
online
marketplaces
or through
small
businesses ⁴

Top 3 factors
consumers consider
when sending parcels:

1. **Convenient location to send**
2. **Low price**
3. **Convenient opening times**

21%

of consumers aged
18-24 said
environmental factors
were one of the most
important factors they
considered when
sending a parcel

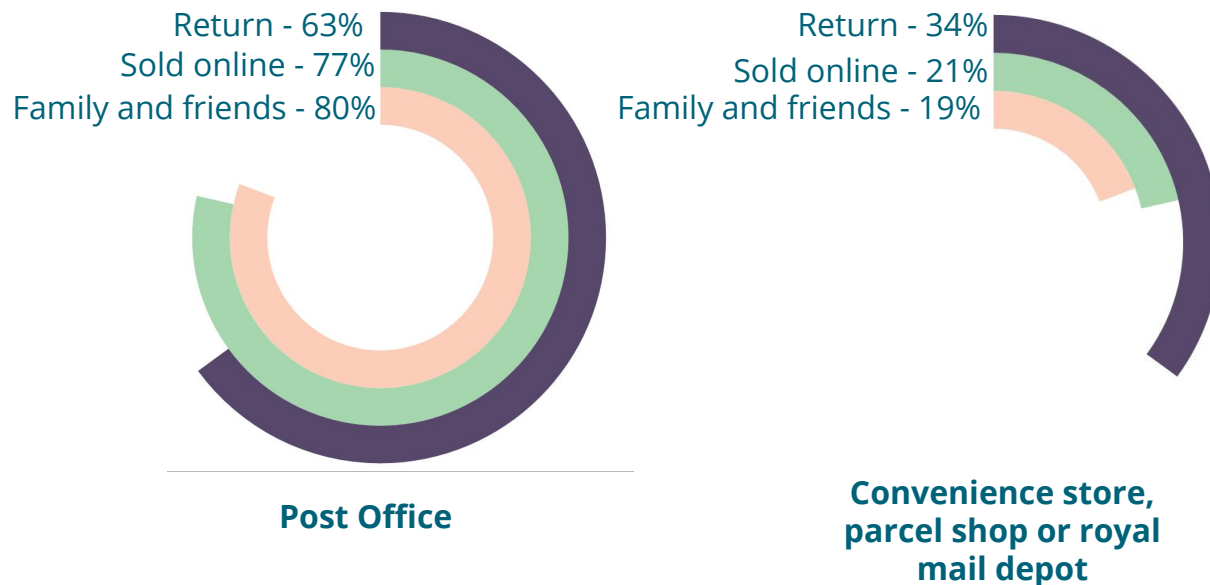
Where are consumers sending parcels?

A wide variety of parcel sending options are now available for consumers such as dedicated parcel shops, parcel services in convenience stores and home collection.

Our research found that although consumers still send the majority of parcels at the post office, with over a third of consumers unaware of any other options for sending parcels, this depends on what is being sent. Consumers sending returns are more likely to send their parcel somewhere other than a post office than those sending to family and friends. For those who have sent a parcel somewhere other than a post office:

- 54% said they used it because there's one near to where they live
- 39% said because they were given this option by the sender
- 23% said because they have longer or more convenient opening hours

Percentage of parcels sent at the post office versus other locations:



Are consumers satisfied with their parcel sending experience?

We asked consumers to rate their satisfaction with a number of different parcel sending features. We found that overall, consumers were satisfied with their experience:

79% feel they were **sold the right postal product**

83% said sending the parcel was **easy**

81% say they **trust** the company they used

83% say they would **use the same service again** if sending a similar product

58% said that the price they paid to send the parcel was **good value**

82% said the service they used was **reliable**

However we also found that:

- Consumers sending to family and friends are consistently less happy with the service
- The larger the package, the less satisfied the consumer

Spotlight on Returns

Being able to easily return unwanted items is an essential part of the online shopping experience. Since 2011, the number of online shopping returns has increased 60% to nearly 90 million a year,⁵ with 27% of consumers saying they return more now than they did 2 years ago.⁶

Our research shows that it takes on average 4 days for consumers to return unwanted items. Of consumers who took more than 2 days to send their return, 32% said they didn't send it sooner because they needed time to do things such as purchase additional packaging or print the postage label.

41% of consumers stated that they didn't return sooner because there wasn't a convenient time to, and 12% said it was because there wasn't a convenient place to drop their parcel off. Providing a range of options therefore has the potential to speed up the returns process.

Minimising the time spent before consumers return items is crucial for retailers, as items lose value every day they are waiting to be returned. To solve this problem many retailers offer a range of different places where consumers can return their item such as dedicated parcel shops, convenience stores, and parcel lockers. These options are called Pick Up Drop Off (PUDO) points and often have longer opening hours than traditional post offices. We've [mapped](#) PUDO points around in Britain and found that generally consumers have good access to different PUDO options. 2 in 3 (66%) of consumers live within 1 mile of 5 PUDO points served by 5 different parcel delivery companies. However rural consumers are not served as well, with just 1 in 20 (5%) living within 2 miles of 5 PUDO points.⁷



82% of consumers sending returns used a prepaid returns label

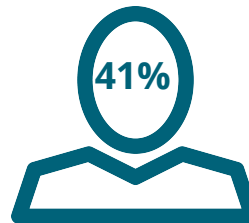
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The average number of days it takes consumers to return an item



1 in 5 consumers took over 10 days to return their item

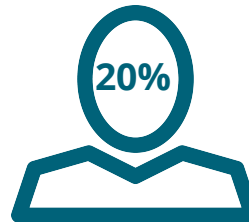
Why do consumers not send their return sooner?



There wasn't a convenient time for me to drop it off



I needed time to organise the return



I didn't feel the need to do it urgently

Returns labels

A returns label is a pre-printed and pre-paid postage label that arrives with the item when the consumer receives it from the retailer.

Returns labels guide consumers through the process of sending a parcel and make them less likely to make mistakes. Our research showed that consumers who use a pre-paid returns label were more likely to describe the parcel sending process as easy (83%) compared to those who didn't (75%). In fact, satisfaction for all elements of the service dropped for those who weren't using a pre-paid returns label.

Many retailers now include returns labels to make the process easier for consumers, and 60% of consumers expect free returns with every purchase.⁸

Consumers who had to pay to return unwanted items were more likely to be disgruntled with the price: less than half (43%) of those who paid for their return believed that the price they paid was good value, compared to 57% of those sending parcels overall.

Problems in the C2X market

Despite a high level of satisfaction across the C2X market, our research found that there was a problem with over 1 in 10 (12%) parcels that are sent. However, this figure is not consistent across all parts of this market - consumers sending to family or friends were more than twice as likely to have a problem (19%) than those sending a return (8%) or an item they sold online (8%).

Over a third of all problems relate to the delivery of the parcel, with issues such as late delivery and parcels delivered to the wrong address.

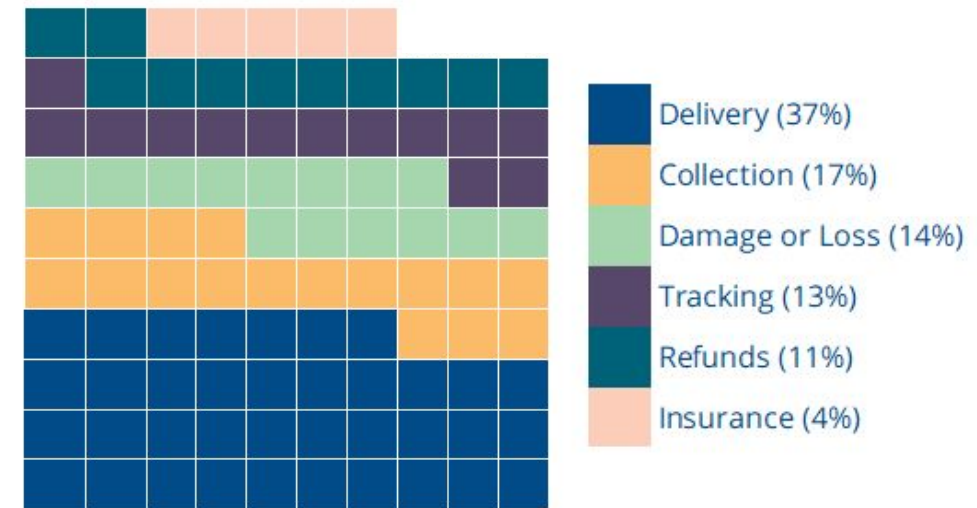
There could be many reasons for this difference in experience. Unlike those sending returns, consumers sending to family and friends package and pay for the parcel themselves, leaving more room for error. They are less likely to send frequently, and as a result may be less familiar with different options.

When things go wrong...

When consumers have a problem with a parcel, it can be an uphill struggle to resolve it. Our research found that almost half (46%) of consumers who had a problem said they found it difficult to find contact information for the parcel delivery company and 27% said that they kept on getting through to the wrong person or department. In fact 11% of consumers who had a problem said they tried to contact someone but couldn't get through.

Of those who had a problem, 22% said they had to make contact multiple times to resolve their issue. The waiting times for resolution can be long: a quarter (24%) of consumers said they had to wait over 2 weeks for a resolution to their problem, and 28% said they were dissatisfied with the resolution to their problem. Many consumers told us that being able to speak to someone over the phone would have improved their experience.

Breakdown of problems in the C2X market:



Of consumers who had a problem...



46% found it difficult to find the right contact information



33% had difficulty getting in touch with the company

"I had to fight very hard to obtain compensation from the carrier. It was very difficult to get to talk to someone about the problem and to obtain a resolution. This has happened to me twice before...so I will never use them again for sending anything of value."

James - a consumer responding to our online survey

Damage, loss and insurance

With over 6 million damaged and 2 million lost parcels per year, insurance can mitigate some of the detriment caused if something goes wrong.

Our research found that almost half of consumers who had a problem lost money as a result, with £30 being the average amount lost.

However, when we looked at the webpages of 11 major parcel operators and brokers and found that only 2 include information about how to package your parcel. Of the sites we surveyed, 10 had insurance policies that do not cover fragile items such as a glass or ceramic. Of the sites we surveyed only 4 had clear information pointing the user to the fact their item would not be covered by the insurance.

Clear information at the point of purchase is essential to ensure consumers can make informed choices as loss and damage to parcels can cause serious financial detriment.

Each year...

6.7 m damaged parcels

2.1 m lost parcels

Dan sent a glass object he had sold online. He was advised to pay for insurance on the parcel operator's website. However the object was broken in transit, and when he tried to claim compensation, his claim was refused. He lost money as he had to provide a refund for the buyer, as well as covering the cost of the postage.

£670m lost to consumers per year due to parcel problems

48%
of consumers who had a problem lost money as a result



22% of consumers lost £100 or more

What's next?

Our research shows that overall, consumers are satisfied with the C2X market. Many have a good knowledge of the options available and are able to navigate the market with ease. However this research has identified that consumers sending parcels to family and friends are much more likely to experience detriment than other groups. And when something goes wrong, even experienced consumers can struggle to resolve their problem.

We're calling for parcel operators and brokers to take the following steps to improve the consumer experience and reduce the number of consumer problems.

1. **Make insurance restrictions clear** and provide **clear packaging guidance** to manage consumer expectations.
2. **Commit to improving their channels of communication** to ensure consumers are able to solve problems when they arise.

We'll be using this research to engage with operators and brokers to help them improve their current practice. We'll also be carrying out further work on complaints and consumer access to redress.

Methodology:

Unless otherwise referenced, this report draws on 4 sources of evidence:

Quantitative survey:

Citizens Advice commissioned Qualtrics to carry out a survey of 3,948 adults in the UK. The survey was taken online by respondents in September 2018. The sample was made up of 950 respondents from England, 1,002 respondents from Wales, 998 respondents from Scotland and 998 respondents from Northern Ireland. All respondents had sent a parcel too big to fit through a letterbox within the last 6 months.

Quantitative Survey:

Citizens Advice commissioned Accent to carry out an online survey 4,166 consumers. The sample was a representative of Great Britain, and was aimed at understanding consumer usage of and preferences for parcel Pick Up Drop Off points.

Qualitative survey:

Citizens Advice posted a survey on online consumer message boards, asking users to respond with their parcel sending experiences in the UK. There were 411 responses were collected between 24 October 2018 and 24 November 2018.

Desk research:

Citizens Advice conducted analysis of 11 parcel operator and parcel broker websites. We followed the process of purchasing postage for a 20cm x 20 cm x 20 cm parcel weighing 20kg. All information is correct as of 12 December 2018.

Footnotes:

1. Apex Insight, [UK Parcels Market Insight Report 2017](#), February 2017
2. Apex Insight, [UK Consumer & Small Business \(C2X\) Parcel Services: Market Insight Report, 2017](#)
3. Ibid.
4. Ibid.
5. Ibid.
6. ReBOUND, [Rethinking Returns](#), 2018
7. Citizens Advice, [Mapping Parcel Shops - Understanding consumer access to pick up and drop off locations in Britain](#), 2018
8. Royal Mail, [Returns: Understanding online shopper returns behaviour in 2017](#), 2017

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