

The State of Last-Mile Customer Experience in Home Furnishing Retail



Reimagining the Fulfillment Experience

Big and bulky retail is not the only sector under pressure to reimagine its fulfillment process. A new generation of consumers, which expects an Amazon experience whenever and wherever they shop, is forcing all retailers to adapt. Delivering on these new expectations has become crucial in maintaining customer loyalty. However, while consumers demand more from retailers across the spectrum, failing to meet them has a far greater impact on home furnishing retailers.

Furniture, especially major items like sofas or dining sets, is significantly more expensive than everyday purchases. Furniture is also not something most people buy frequently and consumers generally take longer to make a purchasing decision. Customer loyalty is therefore far more important in home furnishing retail to drive repeat purchases and the loss of customers is felt more deeply.



ABOUT THIS REPORT

The big and bulky retail landscape has undergone unparalleled transformations in recent years due to shifts in consumer behavior. These developments are compelling retailers to reassess their customer loyalty and retention strategies, as consumers prioritize overall service and last-mile delivery experience over brand allegiance.

This significant shift is having a massive impact on home furnishing retail, where big and bulky items require specialized delivery. The result has been a revolution in last-mile delivery, with a focus on ensuring the warmth and personalized service customers receive in-store extends beyond the point of purchase, through delivery and beyond.



A Clearer Understanding of Customer Expectations

This report is focused on providing a deeper understanding of customer expectations and the current state of the last-mile customer experience in the home furnishing sector. The comprehensive consumer research and analysis presented here is intended to help retailers:



Uncover consumer expectations and pain points surrounding last-mile delivery.



Identify the elements of last-mile delivery that resonate the strongest with consumers.



Highlight demographic differences that can impact different target audiences.



Underline where retailers have room for improvement in their last-mile customer experience.

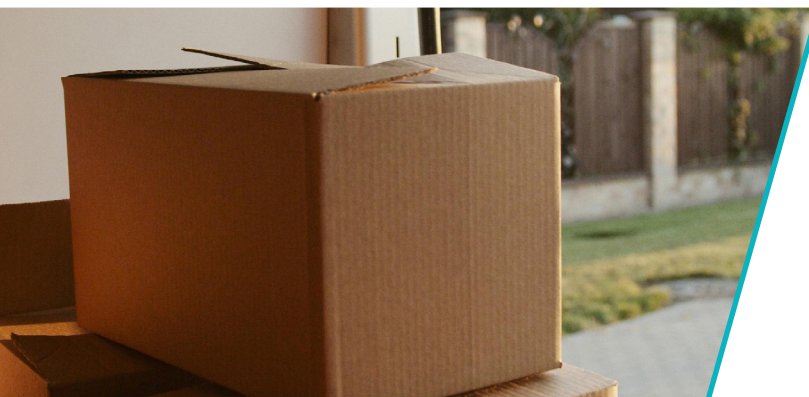


The Road to Enhancing Customer Experience

Home furnishing retailers that use the findings of this research will be able to assign value levels to the different aspects of their last-mile operations and focus on those that resonate most with consumers today. This will better place them to offer the enhanced experience consumers are now demanding.

As customer expectations continue to evolve, understanding the intricacies of last-mile delivery is no longer an option, but a necessity for home furnishing retailers. This report serves as a valuable resource to navigate the ever-changing landscape of last-mile delivery and create a seamless, positive experience for their customers.

So, let's explore the current state of customer experience and expectations in last-mile delivery.



The Ability to Track Deliveries is Key, Especially for Boomers

Providing customers with real-time information and estimated arrival time is becoming a crucial aspect of the customer experience, with almost half of consumers saying a lack of tracking is a deal breaker.

THE IMPORTANCE OF DELIVERY TRACKING

44%

of consumers say the inability to track deliveries is a deal breaker.



65% of those aged 60+ are unlikely to purchase without real-time delivery tracking.



Females are more unlikely to buy without real-time tracking compared to males.



Beware the Boomers. Older customers are surprisingly even more difficult to please than their younger counterparts and with plenty of (relative) disposable income retailers need to pay attention.

Getting Customer Service or Delivery Wrong will Cost You

When it comes to securing their loyalty and repeat business, 77% of customers unsurprisingly rank pricing as key while 79% rank product quality.

KEY FACTORS DRIVING REPEAT PURCHASING DECISIONS

50%

see Customer Service as key influence on repeat purchases.

54%

say Delivery Experience is important when considering buying again.



46% of respondents earning below \$75,000 answered 'customer service'



60% of those earning \$150,000+ answered 'customer service'

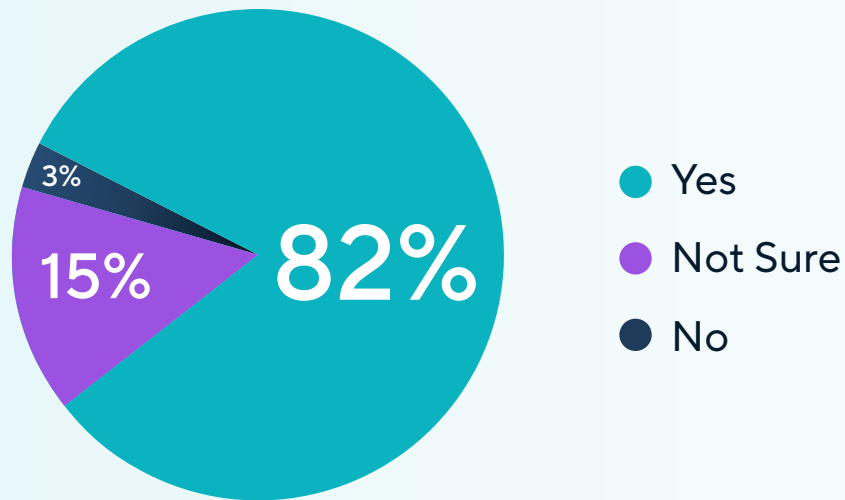


The results show that as income levels rise the more consumers value customer service and the overall delivery experience.

Why Positive Customer Reviews are Golden

Positive customer reviews are a powerful tool for building trust, credibility, and a thriving business. They are also a valuable currency in the digital age, with the vast majority of consumers saying they influence purchasing decisions.

DO REVIEWS INFLUENCE YOUR SHOPPING DECISIONS?



78% of consumers earning up to \$74,999 are positively influenced by good reviews.



91% of middle class consumers (earning between \$75k-\$149k) are swayed by good reviews.

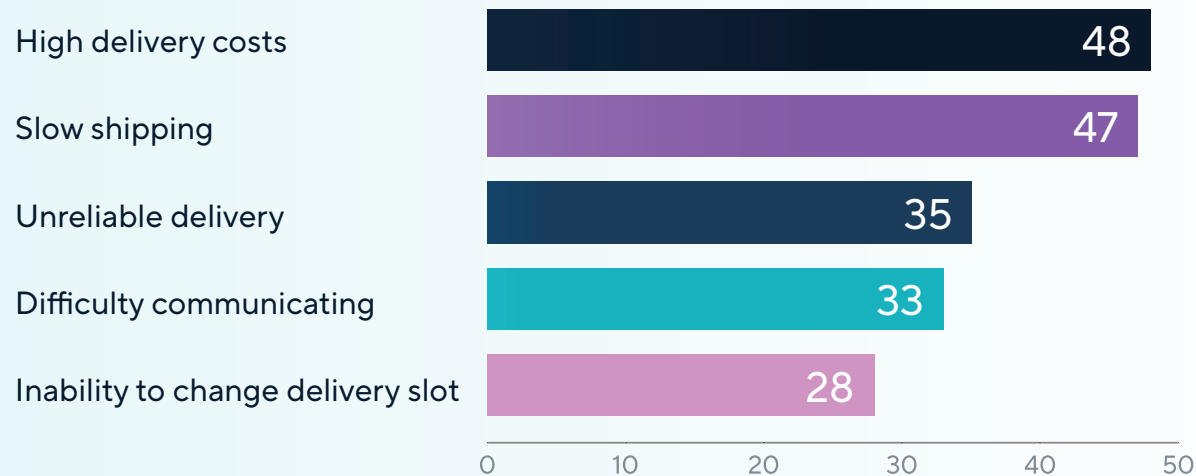


Focusing on generating reviews from satisfied customers will have a greater impact on influencing higher-value consumers.

The Last-Mile Pain Points that will Drive Your Customers Crazy

Understanding negative delivery experiences is crucial for retailers to identify weak spots in their delivery process, minimize customer frustration and enhance overall experience by ensuring a smoother customer journey.

MAIN DELIVERY CHALLENGES EXPERIENCED BY CONSUMERS



39% of Millennials are annoyed by difficulties communicating with retailers.



44% of males are frustrated trying to communicate with retailers during delivery, compared to 28% of women.



Slow shipping and high delivery costs are concerns across income brackets, but communication difficulties are felt more strongly by higher-income individuals.

Why Failed Deliveries are Kryptonite to Customer Loyalty

Failed furniture deliveries not only frustrate customers, see loyalty evaporate and damage brand reputation, but they also incur additional rescheduling costs producing a double, revenue-sapping impact on retailers.

HOW MANY CONSUMERS ABANDON A RETAILER AFTER A FAILED DELIVERY?

77%

of customers are likely to abandon a retailer if they experience a failed delivery.



82% of the 60+ age group are likely to dump a retailer after a failed delivery.



88% of those earning \$75k+ are likely to drop a retailer for failed delivery compared to 72% of those earning below \$75k.

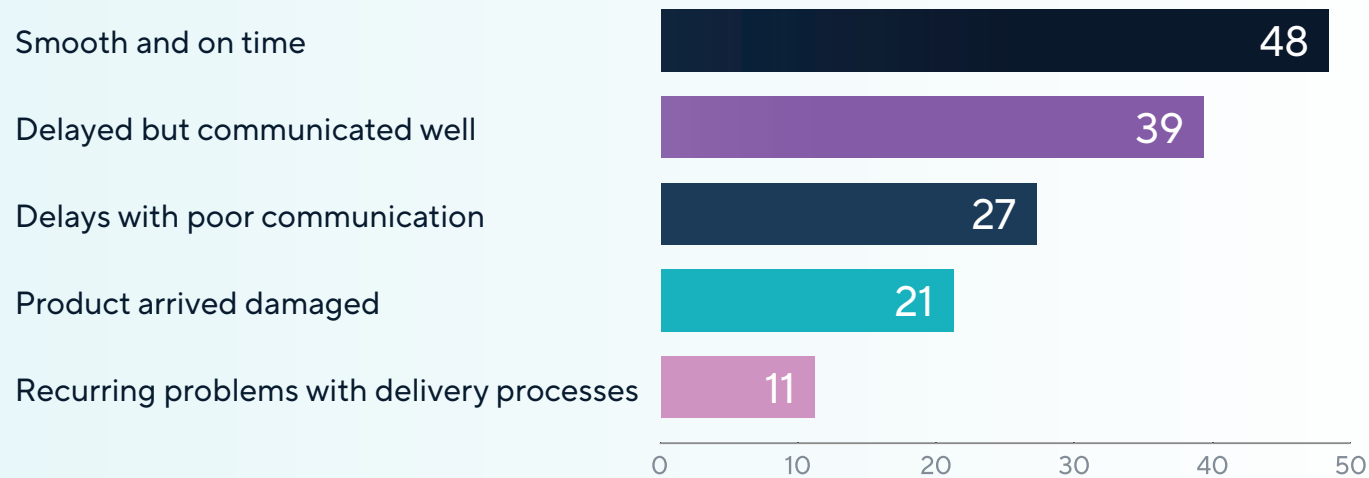


Reliable and successful delivery processes must be prioritized for large home furnishing to retain older and more high-income customers.

The Root Causes of Customer Frustration

With the majority of experiences leaving negative impressions on consumers, retailers are undermining their ability to develop brand loyalty and cultivate a willingness to engage with the company in the future.

HOW CUSTOMERS DESCRIBE DELIVERY EXPERIENCES



'Delays with poor communication' was highlighted more by those that earn \$150,000+ (41%) than those earning under \$75,000 (26%).



Millennials (34%) experience 'delays with poor communication' the most compared to other generations.

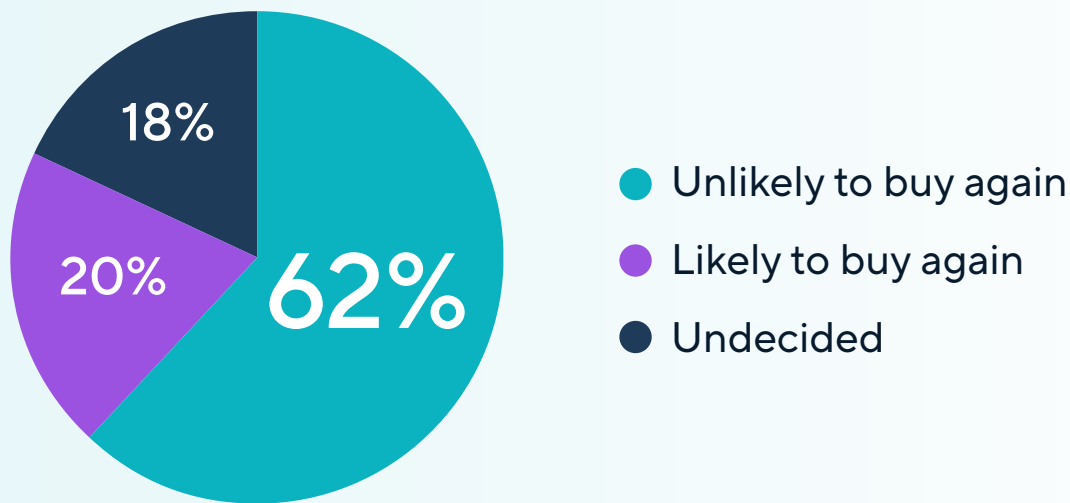


Improving communication throughout the delivery process will have a positive impact on customers, especially high-earners and Millennials, even when their furniture is delayed.

Major Deal-Breakers for Consumers: Bad Communication and Slow Delivery

Long waits for furniture with no clear communication leave customers living in limbo, with poor communication and slow delivery putting off almost two-thirds of consumers from considering buying from a retailer again.

THE IMPACT OF POOR COMMUNICATION AND SLOW DELIVERY ON REPEAT PURCHASES



The **60+ age group** had the highest percentage of respondents (87%) who would not buy again.



This complaint, **indicating they are unlikely to buy again**, is a consistent trend across all income levels.

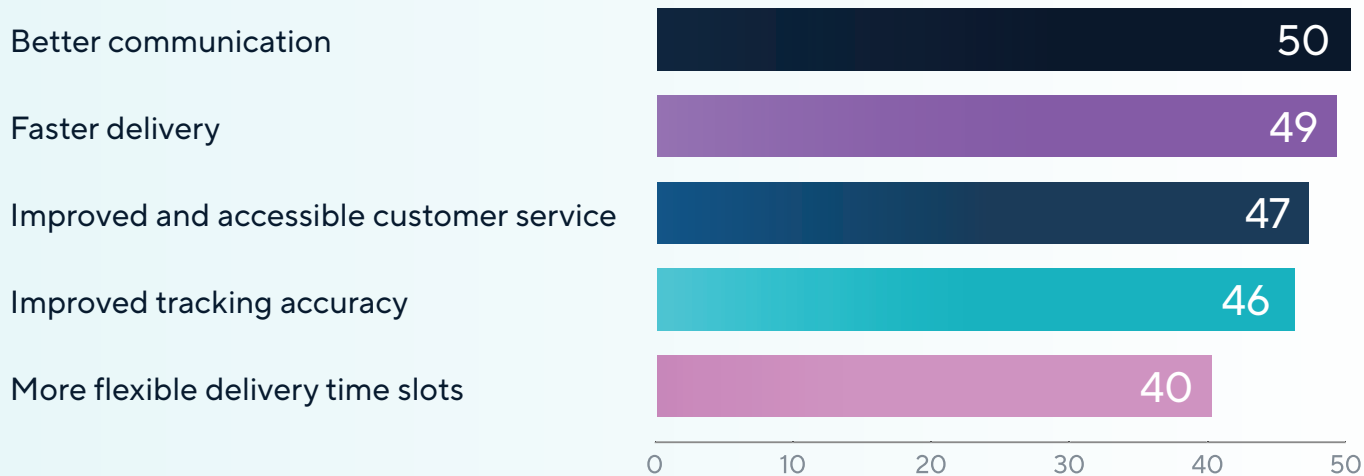


Home furnishing retailers must prioritize efficient communication and timely delivery to maintain customer loyalty and retention, especially among older customers.

The Optimal Consumer Wishlist for Exceptional Delivery Experiences

Home furnishing retailers have a golden opportunity to turn their last-mile operations from a cost center into a growth engine by prioritizing enhanced customer experiences to drive loyalty and repeat purchases.

IMPROVEMENTS CONSUMERS WANT TO ENHANCE DELIVERY EXPERIENCE



Respondents across all demographics prioritized better communication, faster delivery, and improved and accessible customer service.



The older age groups (45+) were more interested in flexible delivery time slots, suggesting a preference for convenience and scheduling flexibility.



Better communication was a top priority in all income brackets suggesting a universal need for clearer and more frequent communication on delivery.

The Future of Last-Mile Delivery in Home Furnishing Retail: A Symphony of Personalized Experiences

The furniture retail landscape is undergoing a paradigm shift driven by the evolving expectations of customers seeking a seamless and transparent delivery experience. Ultimately, by focusing on enhancing this experience, furniture retailers can cultivate a loyal customer base that translates into repeat business and fervent brand advocacy.

Brands that focus on the delivery process will gain a substantial edge in fostering customer loyalty. A favorable delivery experience transcends a simple transaction; it stands as an investment in the enduring success of the brand.

This is why the last mile is now a crucial touchpoint and golden opportunity for retailers. By shifting to active, highly personalized, two-way engagement with customers during delivery and beyond, retailers can foster genuine warm connections and create remarkably positive experiences. This emotional connection will directly translate to increased customer loyalty, positive reviews and, ultimately, revenue growth.



METHODOLOGY

Package.ai compiled this report in order to provide value to retail executives seeking to improve their customer experience in the most complex delivery segment they offer. In order to capture valuable insights regarding consumer preferences, a representative sample of more than 1000 e-commerce retail consumers from across the United States who have purchased home furnishing items (appliances, furniture, etc.) were asked a series of ten questions. The questions covered key points related to their experience, from communication to abandonment to improvements they would most value. Upon its completion, the responses were analyzed based on age, sex, and income to discern any significant differences that retailers should pay attention to in order to win more customers, retain those they have, and strengthen their brand.



Package.ai transforms last-mile operations from a cost center to a customer engagement gold mine, leading to 10X growth in brand loyalty, advocacy and customer life-time value. We achieve this by blending together last-mile operations and customer engagement under one AI-based platform, that is tailor-made exclusively for Home Furnishing retailers.

Package.ai is trusted by leading retailers, such as The Dufresne-Spencer Group (DSG), Big Sandy Superstore, Bob Mills Furniture and Don's Appliances.

For more information, visit www.package.ai

