

THE DELIVERY TRUST REPORT

HOW CONSUMERS RANK THE TOP DELIVERY
SERVICES IN THE US AND HOW THEY STACK UP
AGAINST THE GROWING THREAT OF AMAZON

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KEY POINTS

- **Delivery companies need to track consumer trust in their services because it can impact their ability to form partnerships with e-commerce companies.** That's because these companies are increasingly offering similar services and struggling to find ways to differentiate. High consumer trust can make a logistics provider a more attractive option to potential e-commerce partners.
- **Business Insider Intelligence's 2018 Delivery Trust Report uses survey data from over 900 US consumers to identify the most trusted delivery companies among FedEx, UPS, USPS, and DHL.** Using this exclusive data, we evaluate which companies are the most trusted in the areas of package tracking, customer service offerings, and seamless delivery. We also evaluate which delivery startups pose the biggest threat to legacy firms.
- **UPS came out on top for package tracking features — an important victory.** Package tracking is one of the most important tools for boosting consumer engagement. It enables delivery providers to directly interact with consumers in order to build a positive relationship. Nearly 90% of US consumers said the ability to track shipments in real time is important to them, according to a Dropoff survey.
- **The delivery companies that consumers feel provide the highest-quality customer service are UPS and FedEx.** Customer service interactions affect how shoppers view their overall experience with a retailer. Delivery companies that provide exceptional customer service can help retailers build strong brands and avoid losing customers — 68% of consumers will leave a company because they're upset with the treatment they have received, according to data from the US Small Business Administration cited by Salesforce.

- **However, it's quite glaring how many respondents couldn't pick a company.** Forty-seven percent of respondents to Business Insider Intelligence's Delivery Trust survey couldn't say which delivery company provides better customer service. This points to a major opportunity for delivery firms to change consumer perception in order to strengthen their own marketability to retailers.
- **Consumers trust FedEx slightly more than UPS to deliver packages on time and undamaged.** Given how reliable and accurate legacy firms have become at delivering goods, it's likely variances in consumer trust are being impacted by other forces, such as brand recognition. UPS and FedEx are the top two logistics companies in the world when it comes to brand recognition and value, according to Brand Finance's 2017 rankings. These rankings factor in familiarity, loyalty, and corporate reputation.
- **UPS and FedEx are facing perhaps the biggest threat to their duopoly in decades from Amazon.** The Seattle-based e-commerce juggernaut not only has the resources to build a competitive delivery service, but it's also captured the trust of consumers — nearly half of consumers would trust Amazon to deliver their package over FedEx, UPS, USPS, or DHL.
- **Legacy providers will have to explore a number of solutions to hold off Amazon and crowdsourced delivery services, such as those from Uber or Postmates.** One way legacy providers can go about this is to adopt automation technologies. Such tools can be used to increase efficiencies and speed up delivery times, while lowering costs for retail partners and their customers.

[Download the charts and associated data in Excel »](#)

INTRODUCTION

The degree of trust consumers have in a delivery company, such as FedEx or UPS, to bring them their packages without incident is an important metric for delivery providers and e-commerce companies to track. Delivery companies' services are largely commoditized, and consumer trust can serve as a valuable differentiator for forming partnerships with e-commerce companies. E-tailers can use trust ranking to better evaluate potential delivery partners, which could help them improve their offerings to consumers; 18% of respondents to a Business Insider Intelligence survey stated that the ability to pick what company delivers their package would get them to shop at one retailer over another, showing that consumer perception of a delivery service can impact a retailer's bottom line.

Business Insider Intelligence's 2018 Delivery Trust Report uses exclusive survey data to rank top delivery companies according to consumer trust, analyze what's driving consumer trust, and examine how players in the space can use consumer trust to their advantage.

Specifically, this report will:

- **Use exclusive survey data to identify which delivery companies consumers trust most to deliver their packages without incident.**
- **Illustrate how these companies stack up on features that build consumer trust, specifically package tracking, customer service, and seamless delivery.**
- **Explain how delivery companies can leverage consumer trust to improve their positioning with retail partners, especially as Amazon and crowdsourced delivery firms move into the space.**

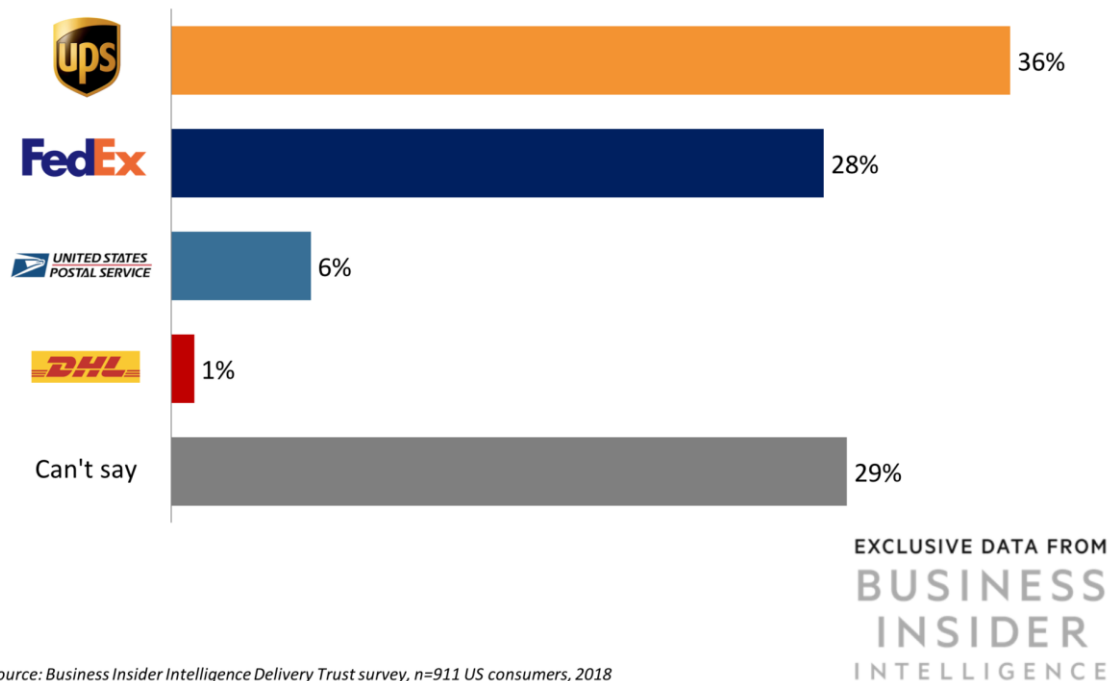
The 2018 Delivery Trust survey was fielded to members of Business Insider Intelligence's [proprietary panel](#) in March 2018 and reached over 900 US consumers. For more information about the panel, see the Survey Methodology section at the end of this report. Members of our panel tend to be more affluent and

tech-savvy than the general population, which makes them a good indicator for future trends in tech and commerce.

CONSUMERS RANK UPS FIRST ON PACKAGE TRACKING

UPS Leads The Pack With The Best Tracking Features

Q: Which of the following delivery providers offers the best package tracking features?







Source: Business Insider Intelligence Delivery Trust survey, n=911 US consumers, 2018

US consumers say that UPS has the best package tracking features, topping rivals FedEx and USPS, according to Business Insider Intelligence's 2018 Delivery Trust survey. When asked which service offers the best tracking features, 36% of respondents who had received a package from a delivery service in the last 12 months chose UPS, followed by FedEx at 28%, and USPS at just 6%. Of all the consumer-facing offerings delivery companies boast, the ability to track shipments in real time is one of the most important, meaning UPS has a key advantage over its rivals in the logistics space.

Here's why:

- **Delivery providers and e-commerce companies have a mutual interest in providing a good consumer experience.** E-tailers build loyal customers by providing seamless commerce and fulfillment services. Delivery providers that aid in achieving that goal will find it easier to strike partnerships.
- **Consumers find tracking capabilities valuable.** Nearly 90% of US consumers said the ability to track shipments in real time is important to them, [according](#) to a Dropoff survey. That means package tracking has become a tool that delivery firms can leverage to entice both consumers and merchant partners.
- **Package tracking is one of the few opportunities a delivery service has to engage consumers.** Consumers are often unaware of which delivery provider brings them their package, and, when they are aware, it's often because they're in the middle of a negative experience. Tracking features engage consumers from the beginning of their experience before any potential issues come up. That creates an opportunity to build a positive relationship from the beginning.

One of the more noticeable ways UPS differentiates its offerings from those of FedEx and USPS is by giving consumers access to tracking features on a number of different platforms and devices. Similar to FedEx, UPS offers tracking options via desktop, text messaging, email, and a mobile app. However, UPS also introduced a chatbot in 2016 that's capable of providing consumers with shipment tracking information. The chatbot is available through a number of popular online platforms, including Facebook Messenger, Skype, Google Assistant, and Amazon Alexa. By adding more ways to track packages, UPS is increasing the chances that a consumer can use a preferred device or platform, in turn improving the customer experience.

CONSUMER PACKAGE TRACKING FEATURES				
				
Online account	✓ UPS My Choice (43 million users)	✓ FedEx Delivery Manager (6 million users)	✓ Informed Delivery (8.3 million users)	✓ DHL Customer Web Portal
Mobile app tracking (compatible devices)	✓ UPS App supports iOS and Android	✓ FedEx App supports iOS and Android	✓ USPS App supports iOS and Android	N/A
Text tracking	✓ Available to registered and nonregistered users	✓ Available to registered and nonregistered users	✓ Available to registered and nonregistered users	✓ Available to registered and nonregistered users
Chatbot/virtual assistant tracking	✓ Virtual assistant via desktop, chatbot available via Facebook Messenger, Skype, Google Assistant, and Amazon Alexa	✓ FedEx Virtual Assistant available via desktop	N/A	N/A
Map view of delivery	✓	✓	N/A	N/A
Source: Company Websites				BUSINESS INSIDER INTELLIGENCE

Beyond a chatbot, there isn't a striking difference between UPS' tracking features and those of its major rival, FedEx, which likely means there are other contributing factors.

One reason consumers perceive UPS as offering the best tracking features could be that more use them. UPS has successfully recruited consumers to join its online program, UPS My Choice. Over 43 million [users](#) have signed up for an account, which offers more control over deliveries through value-added services, such as scheduling a delivery time or changing a delivery address. That may help create a more memorable and positive digital experience. For comparison, FedEx's online program, FedEx Delivery Manager, had about 6 million [users](#) at the end of 2017, despite offering the same types of value-added services as UPS.

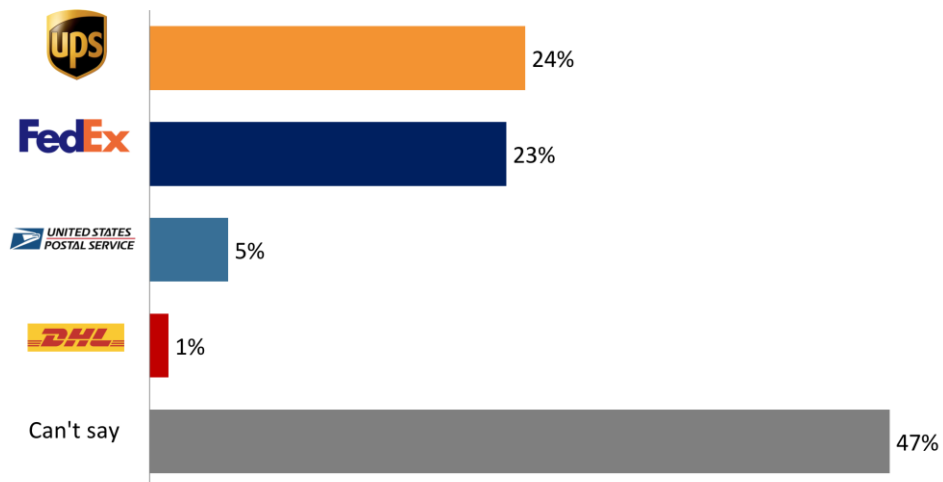
There's still ample opportunity for logistics companies to improve the perception of their tracking features. One of the most glaring results of the survey is that nearly 30% of respondents couldn't say which company offered the best tracking features, despite having a package delivered to them by UPS, FedEx, USPS, or DHL in the last year. This is likely due to a combination of a lack of tracking feature usage and an unremarkable customer experience when they are used. Delivery companies might see greater success by incorporating features that proactively communicate shipment updates beyond the location of a package. For example, using predictive analysis can help communicate potential delays from weather-related events before they occur.

UPS AND FEDEX TIE FOR FIRST PLACE ON CUSTOMER SERVICE

UPS and FedEx are outpacing the competition when it comes to providing satisfying customer service — it's not even close. Twenty-four percent of US respondents who'd received a delivery in the last 12 months said UPS had the best customer service, followed closely by FedEx at 23%, before a big drop-off for USPS at just 5%, according to Business Insider Intelligence's 2018 Delivery Trust survey. The margin between UPS and FedEx was not statistically significant. The strength of a company's customer service (answering general questions, solving issues with deliveries, etc.) is often a reflection of how well the overall business is being run. That said, while UPS and FedEx tied for first place, nearly half of respondents couldn't say which provider offered the best customer service.

UPS And FedEx Are The Runaway Leaders In Providing Quality Customer Service

Q: Which of the following delivery providers has better customer service (ex: questions, problems with delivery)?



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Source: Business Insider Intelligence Delivery Trust survey, n=911 US consumers, 2018

Customer service experiences impact the perception of both the delivery provider and the e-commerce company. This means that customer service quality will likely impact the delivery provider's relationships with its e-commerce partners.

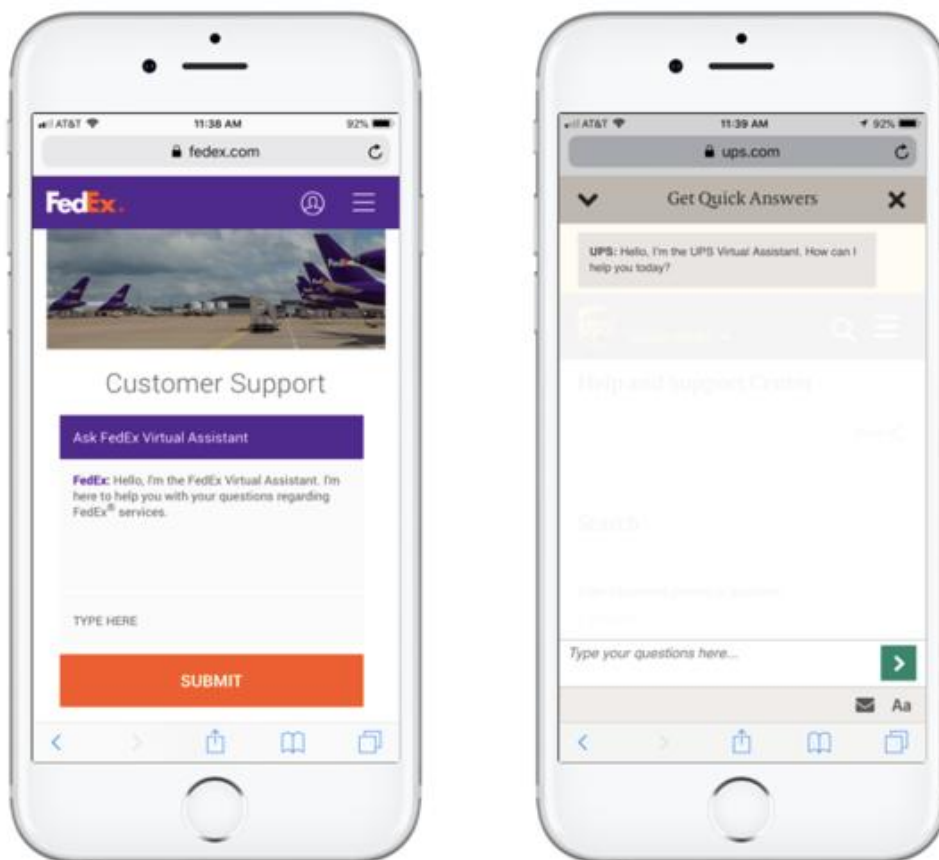
- **A majority of consumers who experience a positive customer service interaction will share their experience, strengthening that company's brand perception.** Seventy-two percent of consumers will share their positive experience with at least six people, [according to](#) data from thinkJar CEO Esteban Kolsky cited by Huffington Post. Meanwhile, 13% of consumers tell 15 or more people when they're unhappy with their experience.
- **Delivery companies that provide good customer service can help their partners build strong brands and avoid losing customers.** As mentioned, customers don't typically have a say in which company delivers their package after making an online purchase. As such, the interactions a customer has with a delivery company are likely to be reflected in how they view their overall experience with a retailer. Sixty-eight percent of consumers will leave a company because they're upset with the treatment they've received, [according to](#) data from the US Small Business Administration cited by Salesforce.

Despite the role customer service can play in building vital relationships with e-commerce firms, delivery services in the US are all essentially providing the same type of experience. All three of the largest delivery companies — UPS, FedEx, and USPS — offer similar customer service solutions via phone, email, and social media. They have each adopted comparable interactive voice response (IVR) systems to help customers get their questions answered or problems solved without having to speak to a human representative. Additionally, all of them have Twitter accounts dedicated to helping consumers with their inquiries.

Even when there are differences in features, they're not significant enough to give any one company a clear leg up on the competition. For example, if a UPS or FedEx customer wants to bypass an IVR service to talk to a human representative, they simply have to press zero several times. In contrast, USPS requires callers to continue communicating via the IVR system in a friction-filled multistep process before eventually being offered the option to speak to a human rep. Additionally, USPS and UPS both use call-back technology, which gives consumers the option to have a customer service representative call them back, resulting in no wait time; FedEx doesn't offer this feature. Features that make getting to a human quicker can certainly make a caller's experience more convenient, but they're not enough to move the needle alone.

Of the limited differences, the biggest is UPS' and FedEx's use of chatbots and virtual assistants — a strategy more likely to give them an edge in the future than now. Unlike USPS, both UPS and FedEx have virtual assistants on their websites to help consumers get answers to their questions from the convenience of their computer or mobile device. In addition to a virtual assistant, UPS also developed a chatbot to assist customers. The chatbot can be accessed via Facebook Messenger, Skype, Google Assistant, and Amazon Alexa. However, chatbots and virtual assistants are still relatively new technologies that cater to younger, more tech-savvy consumers. As such, these features likely aren't significant differentiators for most consumers, but they could be in the future as the adoption of these technologies increases.

The fact that UPS and FedEx are seen as providing the best customer service, despite a lack of differentiating features, is likely more a reflection of strong brand awareness than capabilities. UPS and FedEx are the top two logistics companies in the world as it relates to brand recognition and value, [according](#) to Brand Finance's 2017 rankings. Brand Finance's rankings take into account a number of factors, including familiarity, loyalty, and corporate reputation. These two companies have been able to capture a large share of the delivery market, especially in the US where the majority of online shoppers have had a package delivered to them by UPS or FedEx. As a result, many consumers are likely conflating a familiarity with services and a strong reputation for good customer service.



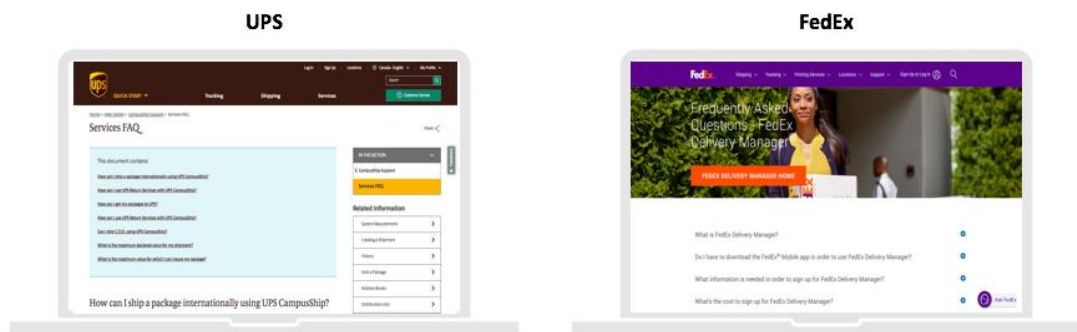
Although UPS and FedEx were seen as providing the best customer service, it's glaring how many respondents couldn't pick a company. As mentioned, just under half of respondents couldn't say which delivery company provides better customer service. This likely comes down to two factors:

- **Consumers generally get their packages delivered without incident.**

Delivery companies are extremely efficient — for example, during one of the busiest times of the year in 2017, between November 27 and December 2, about 89% of UPS Express packages and 99% of FedEx packages were delivered on time, [according](#) to ShipMatrix data cited by The Washington Post. If consumers are getting their packages delivered on time and undamaged, the need to contact customer service is diminished.

- **Even if there is an issue, consumers are provided with enough information to self-service.** UPS, FedEx, and USPS all have extensive "frequently asked questions" sections on their websites that cover nearly every service and offering available to customers. Having access to this information allows users to troubleshoot issues without interacting with a customer service department. This, in turn, limits the number of interactions a company has to make sure its service stands out.

Frequently Asked Questions



To strengthen the perception of their customer service, companies in the delivery space will have to give users a more memorable experience. Delivery companies must work to give customers a unique, personalized, and frictionless way to get questions answered and problems solved. This can be done in a couple of ways:

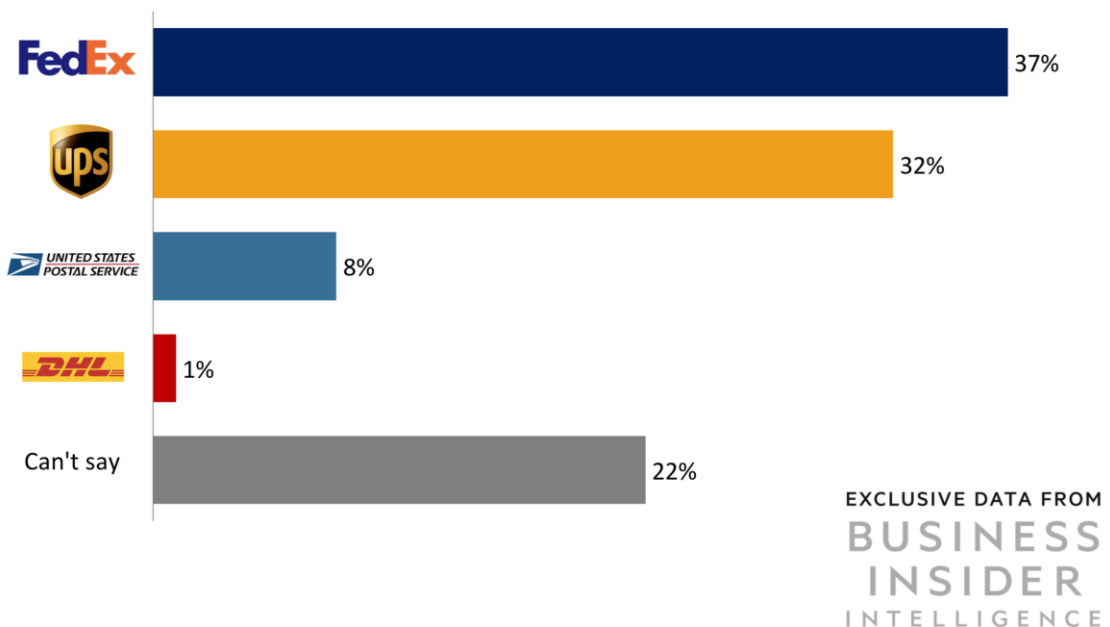
- **Logistics companies should make sure consumers can access customer service across channels.** If a consumer has an interaction with a company via one platform, say email, a record should be created that would enable them to easily continue the conversation via a voice interface or chatbot.
- **Companies could use AI to send personalized service summaries after every customer service interaction via email or text, taking into account personal preferences and interaction history.** This would give consumers an easy way to access the information discussed during their conversation, while affording companies another touchpoint to strengthen their customer relationships.

FEDEX TAKES THE TOP SPOT FOR SEAMLESS DELIVERY

Consumers say they trust FedEx most to ensure their packages are delivered on time and undamaged, followed closely by UPS, according to Business Insider Intelligence's 2018 Delivery Trust survey. Thirty-seven percent of respondents said they trust FedEx most to deliver their packages on time, 32% chose UPS, and 8% picked USPS. In a similar trend, 32% of respondents chose FedEx as the firm they trust most to deliver these packages undamaged, compared with 28% for UPS and USPS at 8%.

FedEx Is The Most Trusted Service To Deliver Packages On Time

Q: Which of the following delivery services do you trust most to deliver your package on time?

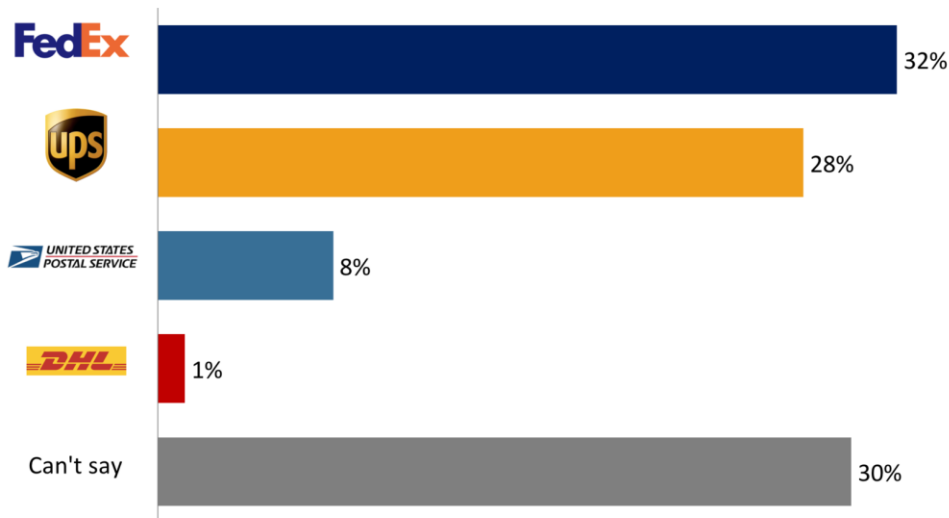


Source: Business Insider Intelligence Delivery Trust survey, n=911 US consumers, 2018

As mentioned, delivery firms are extremely adept at getting packages to consumers on time and undamaged. For additional context, in the week before Christmas 2017, UPS' and FedEx's on-time rates for items delivered by ground were at 99%, according to parcel tracking firm ShipMatrix data [cited](#) by Bloomberg. The holidays are peak season for delivery services, when demand is at its highest and the most pressure is put on operations, so on-time rates for this time are likely a good indicator of how well the companies perform throughout the year. In fact, FedEx, UPS, and USPS are so confident in their abilities to deliver packages on time that they all offer consumer refund options for late deliveries. FedEx even goes as far as allowing consumers to request refunds or credits for shipping charges if the published or quoted delivery time is missed by even 60 seconds.

Consumers Trust FedEx And UPS Most To Deliver Their Packages Undamaged

Q: Which of the following delivery services do you trust most to deliver your package undamaged?



Note: Values don't total to 100% due to rounding.
Source: Business Insider Intelligence Delivery Trust survey, n=911 US consumers, 2018

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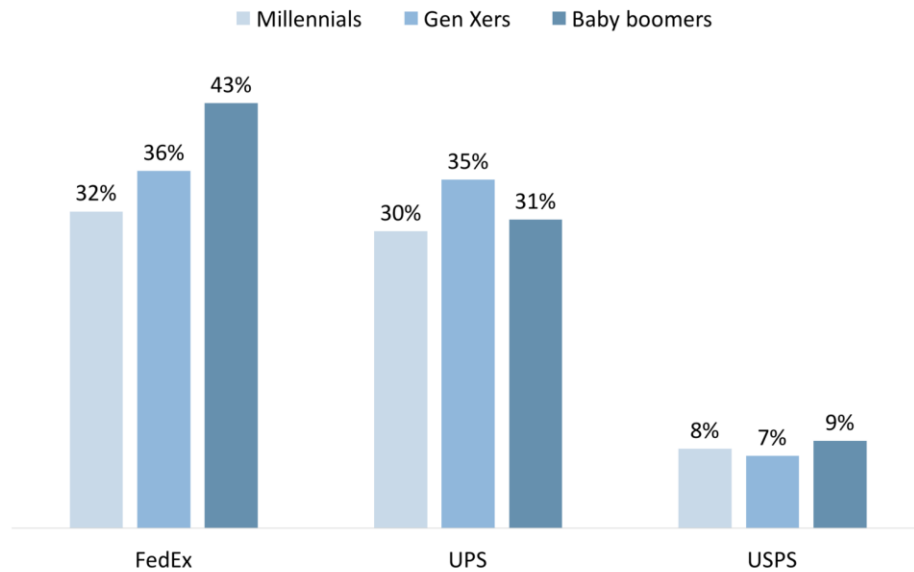
Given how reliable and accurate legacy firms are at delivering goods, it's likely variances in consumer trust in this area are being impacted by outlier events. Getting their packages delivered on time and undamaged is now expected by consumers, making these capabilities par for the course and likely to be overlooked. In contrast, negative experiences are becoming more notable because of their infrequency, and, as a result, they're having a greater impact on how consumers perceive a delivery service. One negative experience could be enough to taint how much a consumer trusts a delivery service to ship them a package, even if the capabilities of that company are comparable to competitors'.

In addition to placing more weight on a negative experience, consumers are once again taking brand recognition into account when considering which company they trust most. During the typical e-commerce transaction, the shopper isn't actively engaged with the company delivering their package. In the absence of this connection, consumers are likely turning to familiarity to differentiate between companies. This bodes well for UPS and FedEx, given that they're the top two logistics companies in the world when it comes to brand recognition and value.

For FedEx, the impact of brand recognition on trust appears to influence baby boomers the most. FedEx is more popular with baby boomers than with millennials or Gen Xers — 80% of baby boomers share a positive opinion of the FedEx brand, compared with just 70% of millennials and Gen Xers, [according](#) to YouGov. A positive perception of the FedEx brand from baby boomers is likely impacting how much they trust the firm to deliver goods on time and undamaged — 43% of baby boomers trust FedEx most to deliver their packages on time, compared with just 32% of millennials, according to Business Insider Intelligence's 2018 Delivery Trust survey.

Baby Boomers Trust FedEx The Most To Deliver Their Packages On Time

Q: Which of the following delivery services do you trust most to deliver your package on time?



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Source: Business Insider Intelligence Delivery Trust survey, n=911 US consumers, 2018

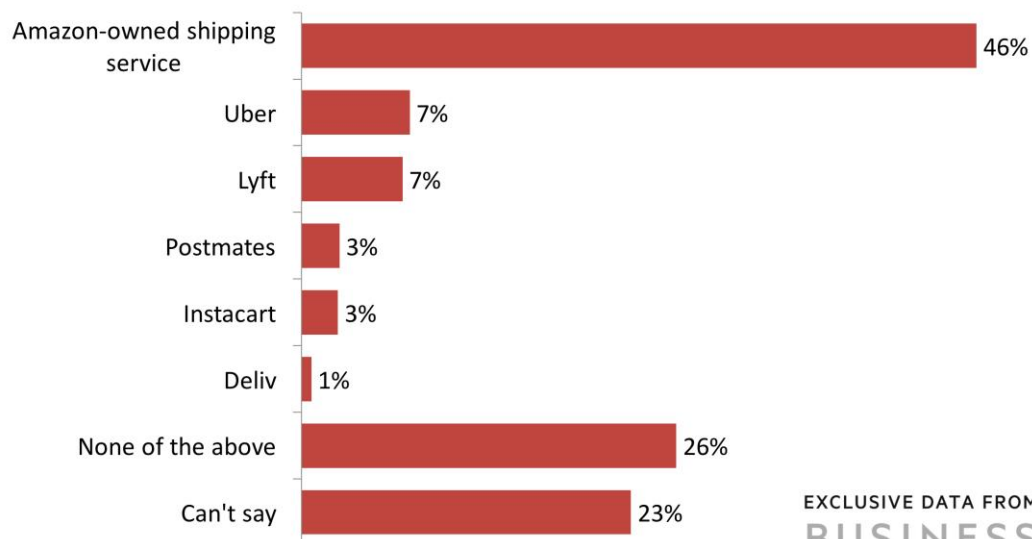
To keep customers on their side, delivery companies will have to find ways to turn negative experiences into positive ones. Although delivery companies can't always guarantee that a consumer's package will come in on time or undamaged, they can limit how often these instances resonate with consumers as negative experiences. One way to accomplish this is by making sure the process to file a claim is fast and completely frictionless. Delivery companies should also aim to reduce the time it takes to resolve a claim — FedEx resolves claims five to seven business days after they're submitted. Additionally, delivery firms should explore offering consumers resolutions beyond refunds or credits. This can be in the form of future discounts, free upgrades in shipping speed, or gift cards. The need to implement these types of solutions will only become amplified for legacy providers as the delivery industry begins to see the rise of serious and capable challengers.

AMAZON IS A TREMENDOUS THREAT TO UPS AND FEDEX

UPS and FedEx are facing perhaps the biggest threat to their duopoly in decades from Amazon. The Seattle-based e-commerce juggernaut not only has the resources to build a competitive delivery service, but it's also captured the trust of consumers, putting the company in a unique position to challenge these legacy providers. Nearly half of respondents to Business Insider Intelligence's 2018 Delivery Trust survey said they would trust an Amazon-owned shipping service to deliver their online purchases more than UPS, FedEx, USPS, and DHL. To make matters worse for legacy delivery providers, instead of standing idly by, Amazon appears to be actively trying to compete in the delivery space.

Amazon Is The Most Trusted Threat To Legacy Delivery Providers

Q: Which of the following companies would you trust to deliver your online purchases more than FedEx, UPS, USPS, and DHL?



Note: Values don't total to 100% because respondents could choose multiple answers.
Source: Business Insider Intelligence Delivery Trust survey, n=911 US consumers, 2018

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Amazon has been building up its logistics network, which now includes over 70 delivery stations, more than 7,500 truck trailers, and the leasing of roughly 35 planes. However, where the firm is most likely to compete against legacy delivery companies is in last-mile delivery.

- Amazon just recently [introduced](#) Delivery Service Partners to help entrepreneurs form small delivery companies for the specific purpose of delivering its own packages. Users of the service will have access to the technology and training needed to launch their delivery businesses, which could see entrepreneurs employing up to 100 drivers and leasing between about 20 and 40 Amazon-emblazoned vans. When making Amazon deliveries, the e-commerce giant will require drivers to use Amazon-branded vans and uniforms.
- In February, The Wall Street Journal [reported](#) that Amazon was launching its own delivery service, dubbed Shipping With Amazon (SWA), catered to other businesses. The new service, which sees Amazon delivering packages for third-party sellers on its online marketplace, competes directly against UPS and FedEx. Amazon picks up SWA deliveries from businesses' warehouses and routes them either through its own logistics network or through other parcel carriers, depending on speed and cost.
- Given how much consumers value the ability to monitor their packages, it's no surprise that Amazon has introduced a tracking feature of its own. To appease the [90%](#) of US consumers who say real-time tracking is important, Amazon [introduced](#) "Amazon Map Tracker." The feature, which began a national rollout in April, gives consumers access to real-time maps that provide updates on a driver's delivery route and location, as well as how many stops are left before a package is expected to arrive.

- **Amazon is also trying to find ways to make the customer experience more convenient and memorable, which could help it build brand recognition in the delivery space.** The e-commerce firm made its delivery solution for apartment buildings, dubbed Hub by Amazon, [available](#) for installation across the US in June. The solution is designed for the safe delivery and storage of packages at apartment communities, whether it be at a high-rise building or garden-style apartment. At buildings that have Hub touchscreen lockboxes installed, residents' packages are placed in a Hub, after which they are informed of the delivery and given a unique access code via text or email. Amazon believes these lockboxes will simplify delivery for residents by offering them quick and secure access to packages 24/7.

As Amazon continues to strengthen its delivery offerings, it will likely lean heavily on the trust it has built with retailers and millennials, two groups that are vital for the long-term success of any delivery company.

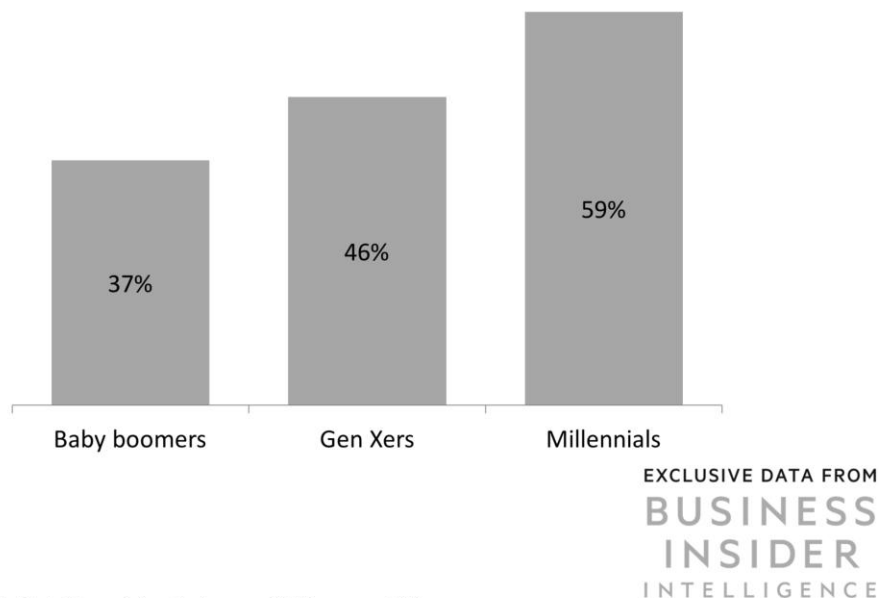
- **Amazon has the largest presence in the US e-commerce market by far, which is likely why a majority of online merchants would be willing to switch from their current delivery provider to Amazon's SWA service.** Fifty-five percent of online merchants recently [surveyed](#) by Internet Retailer would consider switching to the SWA, indicating that Amazon could post a threat to incumbents in this space.

- **Younger demographics are much more trusting of an Amazon delivery service than their older counterparts, which could help the company market its services to retailers.** A whopping 59% of millennials would trust an Amazon-owned shipping service to deliver their online purchases more than UPS, FedEx, USPS, and DHL, compared with just 37% of baby boomers, according to Business Insider Intelligence's 2018 Delivery Trust survey. Millennials, which make up the largest demographic by population, are a major [target](#) of online retailers because they're either in or entering their prime spending years. As such, retailers that hope to attract these shoppers could see trust as a differentiator when choosing a delivery service.

Amazon has been able to build trust and interest in its delivery service due to its popularity with consumers and willingness to innovate to improve operations. The company accounted for 44% of total e-commerce sales in the US in 2017, which represents about \$200 billion in revenue, according to One Click estimates [cited](#) by Nasdaq. Additionally, the firm's subscription service, Amazon Prime, has over 100 million members who spend about \$600 dollars more on an annual basis than non-Prime members. That millions of users are directly engaging with Amazon on its website has helped the company build a level of trust that legacy logistics firms, which usually don't directly interact with consumers, would have a difficult time matching. Amazon is also a willing and active investor in innovating its services to reduce costs, shorten delivery time, and add convenience — the company is [exploring](#) drone technology for quick deliveries and warehouse robotics to increase efficiencies, for example. Its ability to improve the customer experience through innovation has made Amazon an attractive potential delivery partner for retailers.

The Majority Of Millennials Trust Amazon To Deliver Their Online Purchases

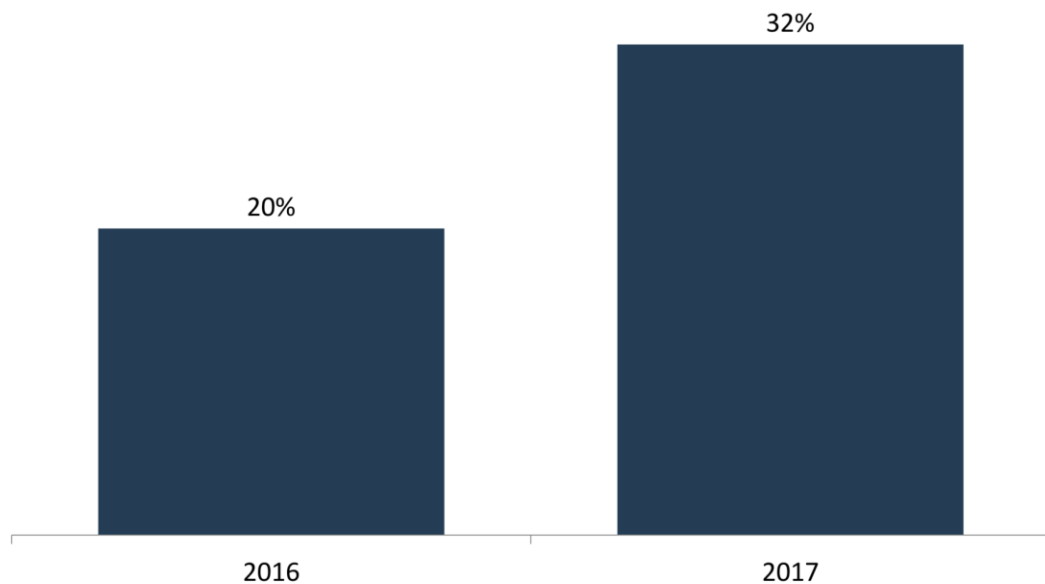
Q: Which of the following companies would you trust to deliver your online purchases more than FedEx, UPS, USPS, and DHL?



Source: Business Insider Intelligence Delivery Trust survey, n=911 US consumers, 2018

Looking beyond Amazon, legacy providers will also have to contend with the influx of crowdsourced delivery startups. Crowdsourced delivery — a delivery model that leverages local couriers to quickly get packages to customers' doors — is growing in popularity as it solves some major issues with last-mile delivery. The "last mile" of delivery — the last leg of the e-commerce experience when the package reaches a customer's doorstep — is the most expensive and time-consuming part of the delivery process because these shipments often involve a high number of stops with low drop sizes. However, crowdsourced delivery services, like those provided by Uber and Postmates, can get packages to recipients quickly and with little upfront cost by relying on part-time contractors who use their own vehicles to conduct deliveries. These deliveries are often assigned to drivers based on their proximity to the pickup location, making the process even more efficient and timely.

Percentage Of US Retailers Using Crowdsourced Delivery Services



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Source: Boston Retail Partners, n=500, 2017

Finding ways to hold on to last-mile delivery is becoming increasingly important for legacy firms as their main revenue source sees slower growth.

Business-to-business (B2B) parcel delivery, which has traditionally been a high-margin source of revenue for delivery companies, is a very mature market — the global B2B market is expected to grow at a compound annual growth rate of only 2.3% from \$49 billion in 2018 to \$54 billion in 2023, according to Business Insider Intelligence estimates. This stagnation will make it even more important for legacy firms to hold on to a growing revenue source like last-mile delivery.

There are several ways legacy companies can compete against tech challengers:

- **Continue to introduce delivery options that make it easy for consumers to change their deliveries.** For e-commerce companies, ensuring the consumer delivery experience is a positive one is important, as this interaction impacts how the consumer views their overall shopping experience. This is likely why e-commerce companies are extremely interested in services that help consumers get their deliveries when and how they want — 69% of e-commerce firms are most interested in allowing consumers to determine when they want their package delivered, 68% want consumers to be able to directly coordinate with the delivery provider, and 67% want consumers to be notified the day of delivery, [according](#) to Accenture.

- **Adopt automation technologies to reduce operating costs and lower shipping fees for retailers.** The top reason the majority of e-commerce firms stay with one delivery provider is to consolidate parcel volume to secure discounts on their costs, according to Accenture. For legacy players, the entrance of new delivery players is expected to lead to increased competition on pricing — 25% of merchants would consider using an Amazon delivery service if it were 10-19% cheaper than their current provider, according to Internet Retailer. One way legacy firms could reduce shipping fees is by exploring automation technologies, such as warehouse robotics, autonomous and electric vehicles, and drone delivery. These technologies could reduce the costs associated with employing large workforces and fleets that run on gas, enabling providers to cut shipping fees.
- **Invest in and acquire startups to strengthen last-mile delivery capabilities.** By using investments in startups as a strategy, legacy providers will get access to the technology and expertise needed to quickly scale up their own capabilities. This could reduce the time and costs it takes to build an in-house solution. One example of this is UPS leading a \$28 million investment round in crowdsourced delivery startup Deliv. UPS used this investment as a way to get better insight into the company's business model and track how the same-day delivery market was evolving, [according](#) to Reuters.

SURVEY METHODOLOGY

The 2018 Delivery Trust survey consists of responses from 911 US consumers from Business Insider Intelligence's proprietary panel. The survey, fielded in March 2018, asked respondents which legacy delivery providers they had used in the last 12 months. Next, respondents were asked to select the best provider for package tracking, customer service solutions, and who they trusted most to deliver their goods on time and undamaged. It also asked respondents which delivery challenger, such as Amazon, Uber, Postmates, they would trust more than UPS, FedEx, USPS, and DHL to deliver their package. A small number of respondents indicated that they had used DHL, and the company was excluded from our analysis for this reason.

About Business Insider Intelligence's Proprietary Panel

Leveraging Business Insider's reach, with 100 million unique visitors monthly, Business Insider Intelligence's proprietary panel consists of 18,000 individuals, including over 9,000 executives with decision-making power from all over the world. Designed to be a leading-edge indicator of what's next in digital, members of the panel tend to be tech-savvy early adopters at forward-thinking companies. This means that the panel community is an especially sensitive indicator of what's coming next for businesses around the world and what behaviors, devices, and technologies will be the winners in digital disruption.

In addition, our in-depth understanding of who the panel members are and their habits give us great flexibility in targeting different demographics (age groups, including millennials, and income levels), employment (decision-makers at Fortune 500 companies, job level including C-suite executives, and company size), and behavior and ownership groups (including iPhone and Android users to owners of products like smart home devices and smartwatches) — allowing us to find the right group of users and potential users for every digital product, platform, or service.

Enterprise subscribers can get access to the full data cuts and crosstabs for this study by emailing Business Insider Intelligence Client Services at bii-clientservices@businessinsider.com.

BOTTOM LINE

- Consumer trust is an important metric in the delivery industry, as it enables companies to differentiate themselves from competitors in an increasingly commoditized environment.
- Package tracking, customer service, and seamless delivery are key channels for building consumer trust. Winning consumers over in these areas can make logistics providers more attractive to e-commerce partners.
- Consumer trust is fragile — one bad experience can ruin a company's reputation. In order to ensure that trust remains high, delivery companies will have to find ways to turn negative experiences into positive ones. This includes streamlining the claims process.
- Amazon is becoming a legitimate threat to traditional delivery companies, as it has the resources to build out an extensive delivery division and the trust of consumers.
- If legacy providers want to hold off tech competitors, such as Amazon and Uber, they will have to invest in new technologies and delivery options.

BUSINESS INSIDER INTELLIGENCE

Business Insider Intelligence, Business Insider's premium research service, provides in-depth insight, data, and analysis of everything digital. Our research is fast and nimble, reflecting the speed of change in today's business. We give you actionable insights that enable smarter and better-informed decision-making. We publish in-depth reports, news, and an exhaustive library of charts and data focusing on key areas of tech: mobile, e-commerce, digital media, payments, the Internet of Things, transportation and logistics and more.

If your organization would like to learn more about our research, including a license to republish our charts, please contact: intelligence@businessinsider.com

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