



The ICurve Research Report

Understanding what IConomy consumers want

Report by

localz
Delivering Happiness

Survey conducted by

YouGov[®]
What the world thinks

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Tim Andrew,
CEO and Co-Founder,
Localz

Foreword by Tim Andrew

In an era where everything is available at the swipe of a thumb, we have been conditioned to have incredibly high expectations of the products and services we consume. We expect to be able to demand what we want, where and when we want it. We look for transparency and simplicity. We want to be in control.

The world of work has changed and the lines between work and home have become blurred. In the same way we expect speed and convenience in business, we now expect the same in our personal lives. As consumers, we need convenience, but what this means differs for each of us.

Today, 'customer satisfaction' means predicting and meeting individual requirements, aspirations and expectations, it's not easy. Yet, this issue is complicated because these requirements change; sometimes by the day, sometimes by the minute. Welcome to the era of continuous verification and instant results. Led by the generation that's always on the run, it is safe to say that companies today must become very individual-centric and quickly learn to stay one step ahead of expectations.

Perhaps one of the most frustrating parts of modern life, that many have not tailored for the individual, is the last mile delivery of products and services. All of us have experienced frustrations with delivery. Whether it's a package ordered online, an engineer to fix the boiler or anniversary flowers being delivered to a partner's workplace. Today's expectation is that waiting for these shouldn't impede our personal lives. Sadly, too often they still do.

The latest research from Localz in partnership with YouGov has managed to discover some common ground as to the wants and needs consumers have when it comes to the last mile delivery of products and services.

Data like this often serves as an eye-opener and reinforces the fact that in the IConomy, consumer preferences are sharp, clear and important for retailers and service providers to get right. In capturing and analysing these nuances in expectation, we have uncovered the ICurve – The Individual Curve – a new model emphasising the enormity of change in consumers' service consumption requirements.

As we went through the data it was clear the ICurve has some fascinating insights. These are critical knowledge for any field service, utility, retail and logistics company looking to thrive, not just survive, over the next 2 – 3 years. Those who want to serve today's consumers must work with, not against the ICurve.

A handwritten signature in blue ink, appearing to read 'Tim Andrew'.



Living in the IConomy

Always in a hurry, each of us are busy multitasking – juggling our hectic work, home and social lives. This fast pace has had a dramatic effect on the way we get things done.

Today, if we wake up to find our boiler is broken or a stone cracks our windscreen on the way to work, we need to know, immediately, when it is going to be fixed and ideally select this time ourselves. We do not have time to wait for a number of weeks, or sit at home for a whole day, waiting for a delivery or repairperson.

Our need for quick responses from service providers demonstrates that our mindset as consumers is becoming increasingly individual-centric. Rapidly hiking consumer expectations, alongside the fact we are increasingly time-poor as a society, has created the 'Individual Economy', or 'IConomy' where each of us expect to be digitally enabled to create our own demand patterns. This forces service providers to fit into our schedules, not the other way around.

IConomy *i'kɒnəmi/*
noun:

1. A paraphrase of Individual Economy
2. The economic paradigm created when consumers demand what they want, where and when they want it.

Introducing the ICurve

Always in a hurry, each of us are busy multitasking – juggling our hectic work, home and social lives. This fast pace has had a dramatic effect on the way we get things done.

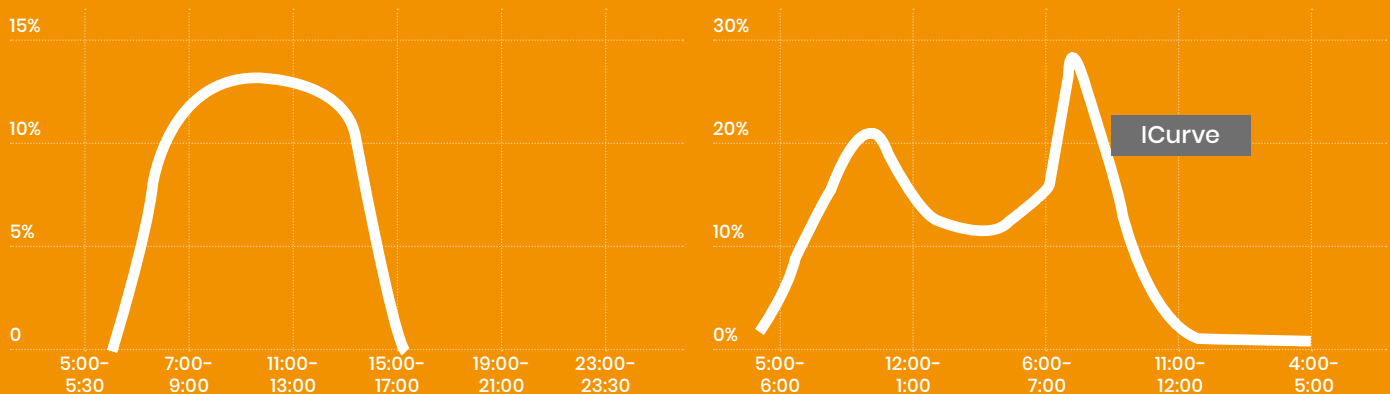
Today's delivery availability

The chart below shows the current availability of most delivery providers.

Starting at 08:30am, most delivery providers (whether a package or a repairperson) see their peak delivery availability as between 09:30am – 4:00pm, at which point the available delivery slots drop significantly by 4:30pm.

By the time 5:00pm rolls around, a consumer has little chance of having a package delivered, or getting that broken boiler fixed until the next day, at the very earliest.

This will be a familiar reality for most of us. Which begs the question: do service providers meet consumer needs? The next chart shows they do not.



The ICurve people want

As a result of our research, we have discovered and mapped a dramatic shift in the consumer's mindset.

We call this the ICurve. The chart below demonstrates what consumers really want when it comes to online delivery and availing utility services.

Clearly there is a disconnect between those providing the services and those consuming it, as to what is an acceptable service availability level.

Broadly speaking, the ICurve demonstrates three obstacles for those providing last mile services:

- 1. The breadth of delivery time needs to dramatically increase.**
- 2. There is a clear 'sweet spot' between 5:00pm – 08:30pm.**
- 3. The current availability provided to consumers is when there is actually less demand.**



One ICurve Does Not Fit All

32.40 million is more than just a big number. It's the amount of the UK population currently in work. This number accounts for over 75% of the UK's population and is an enormous amount of people. This segment of the UK population work full or part-time and will almost certainly struggle with current delivery availability.

Knowing this, it's hardly surprising that 75% of our survey respondents told us they want service delivery to happen between 5:00pm and 10:00pm.

Yet, we know that in today's IConomy, no two consumers will have the same requirement. So let's dive into our research a little deeper to understand how the ICurve varies by individual circumstance. Below is a chart which shows the variance by age group. Each age group surveyed highlighted the importance of a much needed change of delivery availability, but in different ways.

Our research reveals that 53% of consumers will opt for the delivery time slot which is least disruptive to their personal life. However, with 25% of deliveries not being delivered on time, there is some evidence to suggest service providers are either poorly provisioned or not managing resource correctly.

83%

of the total respondents opted for their choice of time slots because it didn't interrupt their personal and work life.

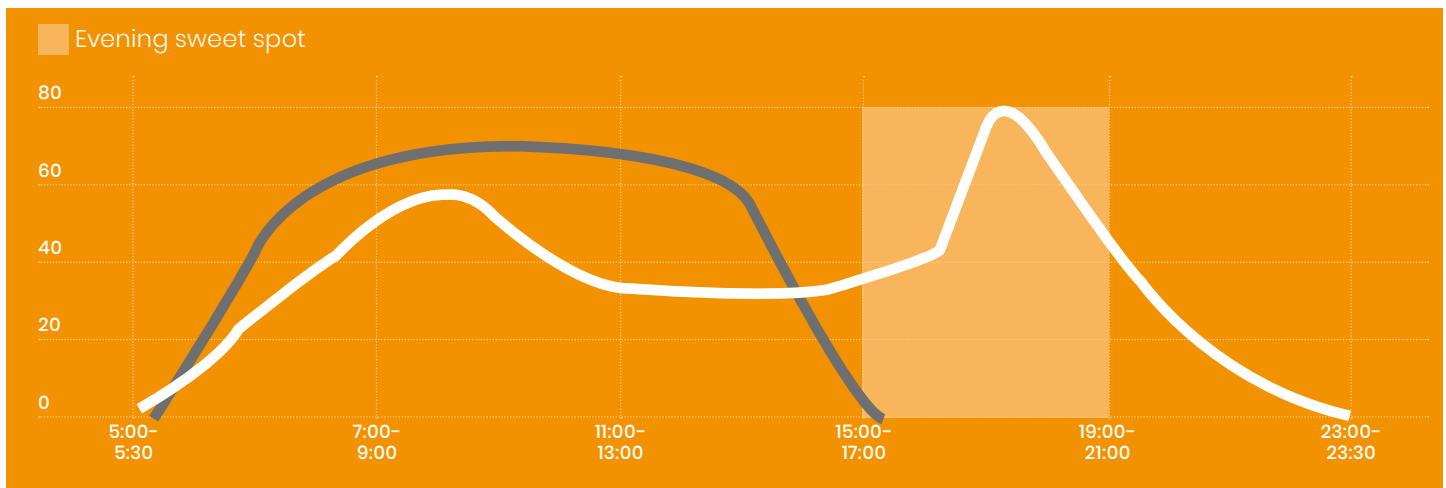
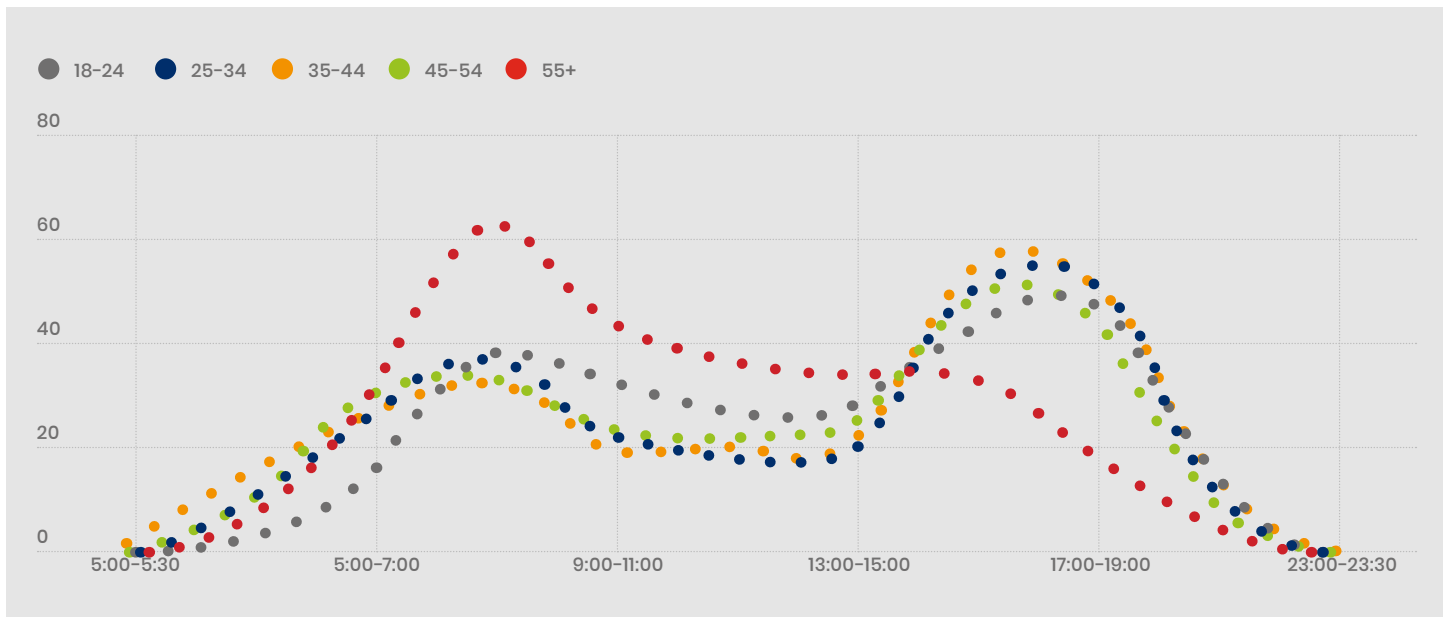
58%

of consumers between the age of 25-34 would rather these hours of service became 6 PM - 8 PM.

The Evening Sweet Spot

By thoroughly analysing the preferences and lifestyles of those surveyed, we discovered a sweet spot for many groups who prefer receiving delivery and services only between 6 PM – 8 PM. This represents the least disruptive time in the eyes of the consumer.

We call this the Evening Sweet Spot and is the time where most consumers are back from work, have had dinner and are able to relax. You can see how this differs from current delivery times, in the chart below.



The discovery of the Evening Sweet Spot clearly demonstrates the broken way product and service delivery is currently set up, as it fails to fit in with the way the majority of people live their lives.

According to our research, all age groups and demographics surveyed show a preference for service and product delivery outside the current available times.

Respondents aged 25-55 show a particular keenness for deliveries between 6pm – 8pm. However, service providers **should not forget** those who prefer early morning delivery, also clearly shown on the ICurve chart, between 6am – 11am.

The Psychology Behind the ICurve

This report highlights the growing expectations of our modern society. 2004 saw us witness the true birth of social-media and since then there has been a growing demand on services to find transparent, flexible and efficient ways of working.

People are looking for collaborative experiences with providers they can trust, providers that work with them to ensure as little disruption to their already time starved lives.

Our expectations have shifted. Once we were led by those providing a service, we were willing to wait and we were made to 'fit in' with their schedules. This has been replaced with an expectation of immediacy, and this is a challenge to all businesses providing products or services to consumers. Those who meet such high expectations have the power to cultivate loyal customers who feel heard, valued and appreciated.

Modern life is busy, and the equality women now hold means that they are rarely at home to wait in for deliveries and services. Nowadays, it is common for both adults in a household to work. This shift needs to be represented by the businesses we consume.

The ICurve demonstrated in this report represents the individual generation and should be used as a collaborator when considering moving services forward to meet the needs and trust of the general public.



by Emma Kenny,
BSc, MA

Emma Kenny is a TV psychologist, presenter, writer and expert commentator in the media and press. She can be found on her weekly page and 'On the couch' therapy sessions in Closer magazine every week. Emma also runs a free Healthy Social Network called www.sochal.com which aims to help people find balance in their lives. She also has a therapy clinic in Manchester.

Emma Kenny's Take

Expecting people to take work holidays to wait in for repairs or important parcels, shows a lack of understanding of consumer needs.

Holidays are essential for everyone's mental health and wellbeing, and to use those for such mundane moments is an understandable point of contention.

Another challenge faced by families with two working parents involves the dynamic of 'responsibility', where often one partner feels more responsible than the other to ensure the smooth running of the household.

This sense of household 'ownership' can add to anxiety, stress levels and resentment within partnerships. This projection is damaging and can be avoided by deliveries being made to 'fit' into a household's lifestyle.

Human beings thrive most when they have a sense of agency. This process is a sense that "you happen to the world, the world does not happen to you".

Unfortunately, when things break down, or items are required at the last minute, this agency is affected. Suddenly your self-power is diminished and you have to place your trust into the unknown.

While this may all occur on an unconscious level, the reality means that moods will be affected and anxiety levels will be raised, automatically impacting on all members of the household.

Anxiously Waiting in Vain for the Van

Mental health has become less taboo over the past few years. It might seem an unorthodox topic to be discussing in a report about last mile delivery, though it is a major concern for many.

When analysing our research, some 71% of respondents cited physical and emotional disturbance around delivery appointments.

- **40% felt stress and anxiety whilst they waited for a service or parcel delivery**
- **13% have had to cancel social plans**
- **11% experienced disrupted sleep**
- **7% felt uncomfortable using the toilet**

We dug deeper to understand why something that is supposed to make people's life easier ends up causing so much anxiety. The answer is flexibility. Impersonalised and inflexible deliveries which do not fit into a consumer's routine, cause upset. A last-minute change of delivery time, or even on-the-day cancellation, has a profound ripple effect across consumers' lives, forcing them to alter their already packed calendars to accommodate such a simple thing as a package delivery. Removing the element of choice causes stress and anxiety for today's consumer.

A household where both parents have full time jobs normally get the full force of this issue.

Imagine a scenario where the washing machine breaks, and the plumber is only available between 9 - 5 pm on weekdays (when both working parents are at work) - how are they going to get it fixed? Do they disrupt the lives of others and ask them to house sit? Do they pay extra for an after-hours service? Do they take annual leave for this minor issue? Does the washing machine just stay broken because they are unavailable at the time required? Scenarios like these make juggling busy schedules, and getting things done like fixing a washing machine, much harder than they need to be.

Who wants more flexible, 'sweet spot' deliveries?

58% of full-time students

88% of single people

50% of married people

50% of people without children



Who Can You Trust?

Another major reason behind the emotional distress experienced with the deliveries of products and services is trust.

Booking a delivery or service appointment should make our lives easier. Instead, it is rife with potential to make our lives harder. Emotional distress, financial set back, anxiety, loss of sleep and disrupted routines.

These shouldn't be in the picture when we talk about 'availing a service'.

The very reason behind asking for assistance is to get a chore off your back, not add one more grievance to the list.

The implications of having a delivery scheduled for when you cannot personally receive it, not only causes personal and emotional stress but has also cost people financially.

72%

of respondents would rather be physically present or have someone else at home to oversee the delivery service person when receiving a delivery or service.

53%

of people could be relieved of this stress simply if they could track the delivery status of the product location of the driver on an app or website.

72%

of respondents said they would greatly benefit if they had the opportunity to directly communicate with the delivery person.

Emma Kenny on the Importance of Trust

Trust is one of the most important foundations of mental wellbeing. Placing your trust in other people or services makes you vulnerable.

For the period of time that you open yourself to 'trusting' others, you also open yourself to being let down. Any service that breaches or breaks trust has the potential to lose not only that customer, but many more.

When you find yourself aggrieved due to a poor service, you are far more likely to share your feelings with others regarding your experience. That ripple effect has huge consequences and should be a great concern for any company.

When you feel that you really can place your trust in a person, or a service, a sense of loyalty is cultivated.

To feel that you can 'expect' a certain service level reduces stress and anxiety and can actually create a psychological shift where you automatically expect the best. When deliveries and services then live up to your expectation, loyalty is further embedded.

Nothing is perfect, and mistakes happen. However, it is essential that the customer has a certain level of control at all times; whether that means being able to see why a delivery is late, or being able to talk to someone about a problem with the service. Simply feeling an active part of the process will reduce stress and anxiety.



The IConomy Stress Busters

At Localz, we help enterprises to deliver last mile innovations which are in-line with consumer expectations. We know as consumer expectations increase, service, utility and delivery vendors need to up their game and enhance the communication they have with their consumers, or else risk losing valuable business.

When we asked our respondents to cite the most important aspect of receiving a delivery, their answer was unanimously **transparency and timing**.

To succeed in the IConomy, brands need to create a sense of trust among their consumers and ensure that they factor in their requirements as well.

Guaranteeing consumers receive a tailored, but also flexible and transparent service is now a core part of this satisfaction. Therefore, it is imperative that in the race to strengthen brand presence, companies up their logistical and operational divisions, ensuring the end consumer is happy and satisfied.



Flexibility...

is the most important ask. Over 65% of respondents who work full time would prefer getting their service delivery between 6 PM - 8 PM.



Transparency...

was also a big concern for consumers. 60% of respondents said they would like to be able to live track their delivery.



Direct Communication...

with the delivery person is key. 86% mentioned they would rather communicate directly with the delivery person and have the liberty to change the delivery day and date.



Clarity...

75% of consumers want to know exactly when to expect their parcel.



The Cost of Ignoring the ICurve

Our research demonstrates there is a disconnect between what consumers expect and the delivery services provided for them.

Moreover, many of our findings show the current status-quo is putting undue stress and worry on hard-working, already burdened, consumer' shoulders.

Something has to give. After all, can we really continue to expect consumers to be out of pocket?

- 32% of respondents who work full or part-time had to take official leave to wait for a delivery.
- More than one in five said it cost them money as they could not go to work due to a service or parcel delivery.

Fulfilling the ICurve

As the ICurve challenges us to work to individual needs, delivery models must become more sophisticated for services and parcels.

While these expectations are complex, and increasingly individual, it is important for parcel or service delivery companies to begin making a change to ultimately ensure the retention of business. Only providers fulfilling the needs of the IConomy will prevail.

36% of consumers today want the ability to change the location of their delivery, to a neighbour, work address, or similar, on the day.

For incumbent providers, fulfilling to the ICurve will likely require significant cultural, operational and technological re-alignment. This is not a simple task. It is unavoidable though, as nimbler and new to market competitors fill this demand, unencumbered by legacy issues.

Localz helps service providers on their IConomy journey by facilitating transparent communications between the service providers' existing systems and their consumers.

We now understand what consumers want and when. Localz is committed to sharing this intelligence with service providers enabling them to operate effectively and efficiently.

We believe last mile experiences have the power to make or break your brand with consumers. The first three steps towards thriving in the IConomy are:

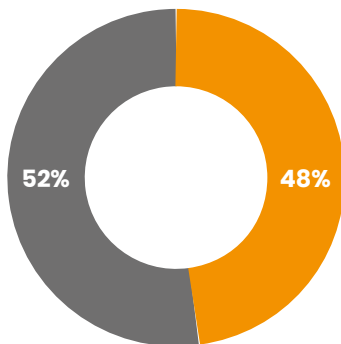
- 1. Bring full transparency and effective two-way communication to the day of service delivery.**
- 2. Extended delivery hours.**
- 3. Extend capacity for the 'Evening Sweet Spot'.**

Methodology

The survey was conducted by YouGov, an international online market research and data analytics firm, with operations in Europe, North America, the Middle East and Asia-Pacific. The online survey of members of the YouGov Plc UK panel of 800,000+ individuals resulted in responses from 2,019 adults across the UK.

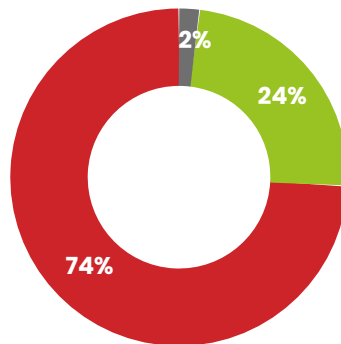
The research is statistically significant with a 95% confidence level and confidence interval of 2.2. It looks at the respondent's feelings on the current state of the delivery market, how it personally affects them and the changes they want to see.

Gender ratio



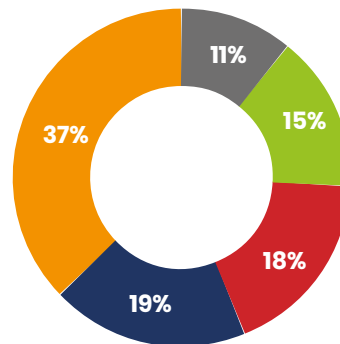
Men
Women

Have children or not



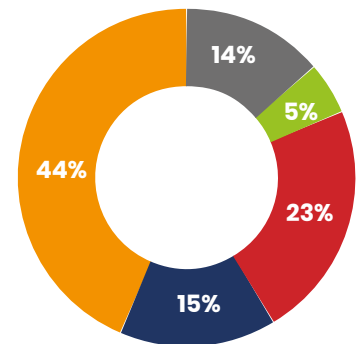
Refused
Have 1-3 children
Don't have children

Age bracket



18-24 Gen Z
25-34 Gen Y (Millennials)
35-44 Gen X
45-54 Gen X
55+ Baby Boomers (Silver surfers)

Work status



Unemployed / not working / other
Full time students
Retired
Working part time
Working full time

Conclusion

Today's connected generation empowers customers to be company reviewers, with access to social media platforms that have the power to make or break companies.

It is no longer enough to 'tell' consumers what they are 'entitled' to expect. Instead, the customer feels they should be given an option to demand what works for them.

Listening to the needs of the general population so that deliveries can fit into their diverse lifestyles ensures a sense of effortless collaboration. This working together enables a deepening of trust and an awareness of the flexibility that is required when serving today's consumers.

At a time where stress levels are higher than ever before, and where immediacy has become normalised, it is essential that services mirror the psychological, social and economic shifts driven by such expectation.

For service providers, growing in the IConomy is dependent on understanding and managing consumer expectations. Localz provides the expertise and assistance today's service providers need.

Localz bridges the communication gap between consumers and their service providers, smoothing the wrinkles out to ensure the delivery process is hassle and stress free for all parties involved. In our quest to connect the two, we ensure we educate brands on how user experience directly impacts the brand's growth and sustainability.

The ICurve emphasises the touchpoints to focus on. We hope these findings assist service providers in giving their customers what they want, where and when they want it.

Act on the ICurve



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