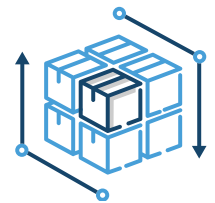


Consumers are Taking the Environment Seriously When it Comes to Home Delivery

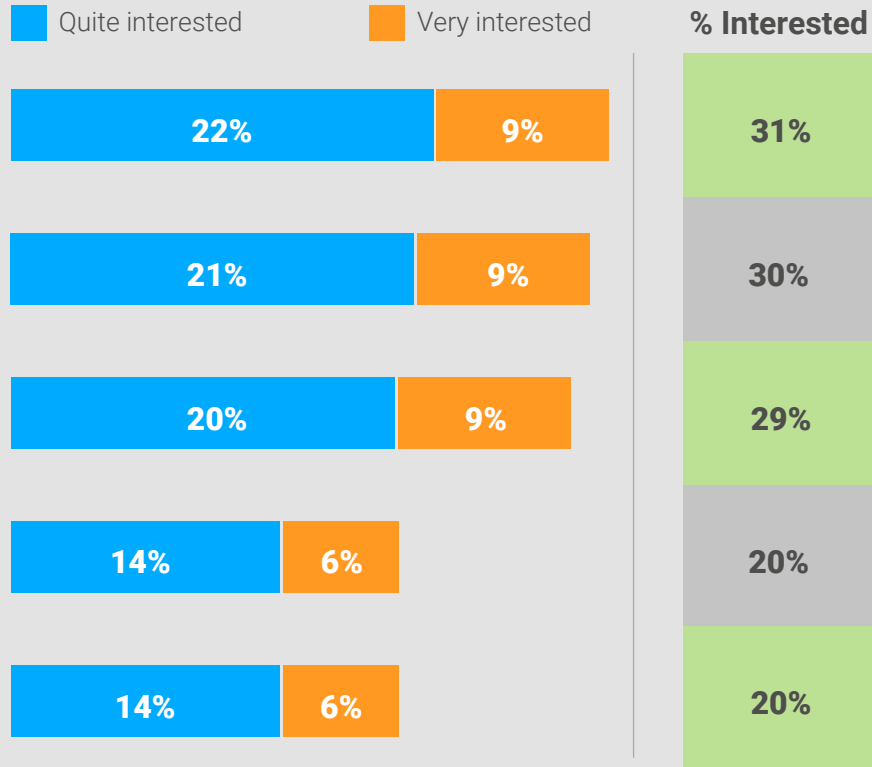
There is a nagging tension when it comes to home delivery and the environment. Consumers love the convenience of home delivery but are very concerned about its effect on the planet. This was very clear in the recent [pan-European home delivery consumer sentiment study](#). Descartes recently commissioned where 71% of the respondents stated that they think twice about ordering online over worries about the environmental impact. While many retailers are enjoying their online prosperity, they should be cognizant that their customers are watching to see how they innovate to help protect the environment. This is especially true for retailers targeting younger audiences as environmental concern escalated as the age of the consumer became younger with a high of 86% for the 18 – 24 years group.



Rather than viewing environmental concern as another expectation from consumers, retailers should look at it as an opportunity to not only delight customers, but also to improve their productivity and bottom line. There are a number of ways to make home delivery more environmentally friendly—and many of them result in more efficient home delivery.

Every consumer has a home delivery persona. For example, some consumers want delivery as fast as possible, others cheapest and still others the most environmentally friendly way. In the survey, we asked consumers to indicate their level of interest in different delivery-related services and the top three services had positive environmental implications. By consolidating orders across a week for a customer and using drop box facilities, retailers can reduce the number of deliveries to the customer. This reduces delivery resources and the distance needed to serve customers, which lowers environmental impact and the retailer's operational costs.

TOP DELIVERY SERVICE CHOICES



Source: Descartes/SAPIO

Another home delivery approach is “eco delivery” time windows. Eco delivery time windows are delivery options that are adjacent to existing delivery appointments and hence require less distance and fuel to execute. Less fuel means less carbon dioxide in the air. Because of the shorter distance to make the delivery—typically ~20% shorter versus regular deliveries—eco deliveries are the most carbon-efficient and cost-effective. Eco deliveries are a win/win choice for customers and retailers.

The environmentally friendly home delivery choices are the result of two strategies that are different from how most retailers operate. First, retailers must move from mode-centric to order-centric delivery planning. This approach not only looks at the orders for an individual customer, but also across the entire customer base. Second, delivery options need to be dynamically presented to customers as they are buying, with customers educated on their value to the environment at the same time. The combination of the two allows customers to “opt in” for environmentally conscious deliveries and most likely reduce the cost of home delivery for the retailer.

Lastly, consumers want retailers to report on their progress reducing environmental impact. Logistics improvement programs should be considered in this reporting because they are an excellent source of environmental performance improvement. Every logistics efficiency program, therefore, should not only be viewed in terms of the reduction in distance, vehicles, fuel, and maintenance costs, but also from its contribution to a better environment.

Providing the consumer with eco-friendly delivery choices and making home delivery logistics more efficient benefit the consumer and the retailer. Rather than treating environmental concern as another consumer demand, retailers should use it to help attract more customers and improve their bottom lines.