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Deloitte's Holiday 2023 Omnichannel Competitive Landscape Study

June 2024



Introduction



During a time when customers are bombarded with promotional offers and similar products can be bought at a similar price, post purchase services can be the key to making a company stand out.

The challenge for companies is putting their best omnichannel capabilities foot forward at a time when their stores and supply chain networks are handling over 4X more volume than they're accustomed to.

Throughout the Holiday 2023 season, Deloitte monitored and tested three key areas that are critical to the customer journey during the peak shopping season. We used this research to establish benchmarks for leading and lagging performance across the industry and to identify new trends in post purchase capabilities that are emerging in the industry to combat peak performance challenges.



Deloitte's Holiday 2023 Omnichannel Competitive Landscape Study



Peak Delivery Performance

Cyber Week 2023



Holiday Cutoff Commitments

Christmas 2023



Post Holiday Return Services

January 2024

145 Global Retail & Consumer Product Goods Companies Researched

Cyber Week 2023 Delivery Performance



Across the industry, standard delivery timeframes quoted at checkout increased by **one day** during Cyber Week 2023. The median calendar days for a package to deliver once ordered was eight days during this time vs. the pre-peak median of seven days.

Peak Delivery speed offerings had a very wide span of execution in 2023, with leading companies quoting packages would arrive in fewer than six days while others showed it would take 11 days or more.

Median Calendar Days Quoted for Standard Delivery

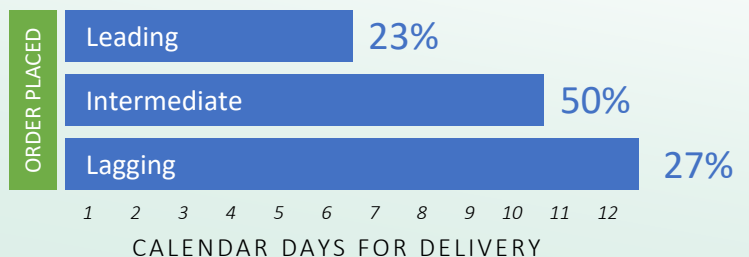
Pre-Peak

7

Cyber Week

8

CYBER WEEK STANDARD DELIVERY OFFERINGS BREAKOUT



Deloitte's Performance Test Results....

Test orders we placed on Cyber Tuesday 2023 arrived in **half the time quoted at checkout**. This reflects a lack of confidence in fulfillment operations or carrier partners that prevented companies from committing to a more accurate view of their speed abilities



Cyber Week 2023 Delivery Performance (cont.)



Examples of Emerging Delivery Capabilities Leveraged by Peak 2023 Leaders:



Ship to Store or Pick Up Point

Using company stores or another company's stores as the ship to address for deliveries to save carrier expense & generate in store sales



No Rush / Economy Delivery Options

Leveraging customers who are willing to wait and decreasing peak volume compression by offering a slower, lower-cost option



Small Parcel Carrier Alternatives

Accommodating customers who need faster delivery while increasing transportation capacity through local courier & gig-economy services

Holiday 2023 Cut Offs Performance



As purchases needed for gift giving approach a holiday date, accurate delivery timing becomes critical to customers. **78%** of the companies we researched indicated the last day that they would accept orders to be delivered by Christmas Day 2023.

Once again, we found a very wide span in performance commitments across the retail industry with companies showing that orders for Christmas with standard delivery needed to be placed anywhere between **22 days before Christmas up until Christmas Eve.**

Christmas 2023 Standard Delivery Cut Off Dates Published

18%

Cutoff Between 12/3 – 12/14

48%

Cutoff Between 12/15 – 12/19

12%

Cutoff Between 12/20 – 12/24

December

2023

SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Deloitte's Performance Test Results....

Almost 30% of test orders we placed between December 20, 2023, and December 24, 2023, that showed they would deliver by Christmas Day arrived after the holiday



Holiday 2023 Cut Offs Performance (cont.)



Establishing the optimal Holiday cutoff timeframes requires detailed analysis and careful balancing of several risk factors:

⚠️ RISK FACTORS

Cutting Off Too Soon	Losing Peak Sales to Competition
Cutting Off Too Late	Delivery Upgrade Expenses or Missed Customer Commitments
Not Indicating a Cutoff	Customer Misinterpretation of Delivery Timing or Cart Abandonment If No Commitment Provided

What We Saw Leaders Do During the Holiday Cutoff 2023 Season

Holiday Gift Indicators at Checkout

Isolating Holiday gift giving from promotional shopping increases the ability to prioritize true gifts and meet customer commitments

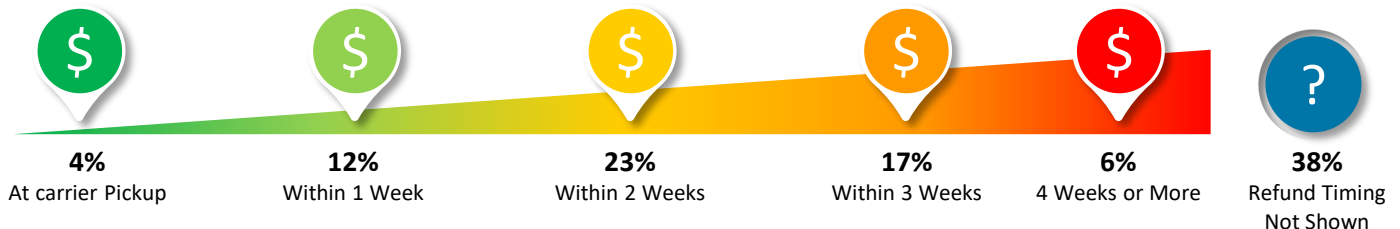
Post Holiday 2023 Return Services



Although the speed at which they will receive a refund for a returned gift or personal purchase is just as important to customers as delivery speed, across the industry the median time shown for companies to process refunds during the peak return season this year was **2 weeks after a return package was received**.

When it comes to returns, the industry leading and lagging performance span increases even more with a few leading companies offering a conditional credit as soon as a return package was tendered to a carrier, lagging companies showing return processing can take over 30 days **and many companies didn't provide any information on their refund processing times**.

Post Holiday 2023 Refund Processing Timelines Shown



Deloitte's Performance Test Results....

*The median timeframe for actual refunds to be processed on our return tests was **6 days... almost 60% faster than companies communicated**. Once again showing a lack of confidence in return processing capabilities*



Post Holiday 2023 Return Services (cont.)



Examples of Emerging Return Capabilities Leveraged by Peak 2023 Leaders:



Conditional Credit

Issuing customer refunds when return packages are tendered to a carrier. Eliminates customer wait time for refund & service contacts for updates



Return Drop Off Points

Leveraging 3rd party stores & service providers for in-person returns. Eliminates customer wait time for credit with return delivery savings



Online Exchange

Allowing customers to exchange for a different size, color or item online. Saves sales with a streamlined customer experience & reduced transactions

About Deloitte's Omnichannel Competitive Landscape Services



We research & test Omnichannel services **offered by 145 global companies, collecting over 70 data points** across the customer journey. We then apply intelligent analytics to our data to establish year over year performance indicators and identify new emerging trends.

Who is Included in Our Studies

145 global companies



SPECIALTY RETAILERS	42%
WHOLESALE BRANDS	28%
DEPARTMENT STORES	7%
FAST FASHION	7%
DISCOUNT & OFF-PRICE	6%
BIG BOX & MASS MERCHANTS	3%
CONSUMER PRODUCTS	3%
RESALE / CIRCULAR MARKETS	3%

Company Statistics

Annual Revenue (Billions)

20%	32%	23%	10%	6%	3%	5%
Under \$1	\$1 - \$4	\$5 - \$9	\$10 - \$24	\$25 - \$49	\$50 - \$99	Over \$100

Headquarters

37%	26%	19%	14%	2%	2%
Eastern US	Western US	Central US	Europe	APAC	Canada

Markets Served

100%	53%	52%	51%	48%
North America	Europe	APAC	Other Regions	Central / South America

Years in Business

19%	26%	33%	21%
Under 25	25 - 49	50 - 100	Over 100

Brick & Mortar Stores

14%	6%	14%	17%	10%	16%	23%
None	Under 25	25 - 99	100 - 249	250 - 499	500 - 999	Over 1k

HOW WE COLLECT OUR INFORMATION



Research company store policies & online service offerings



Conduct store shopping, online order & return performance tests



Advanced analytics to identify performance levels and capability trends



WHAT THIS ENABLES US TO SHARE



Key omnichannel performance benchmarks across retail industries



The end-to-end global competitive landscape



The optimal post purchase journeys for your customers



Want to Learn More About Where Your Company Resides in the Omnichannel Competitive Landscape Spectrum and How Deloitte Can Help You Advance Your Capabilities?

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