The Delivery Experience

**Getting it right.
Why it matters.
And how data can help.**

Data and
insights report

20 21

Australia Post

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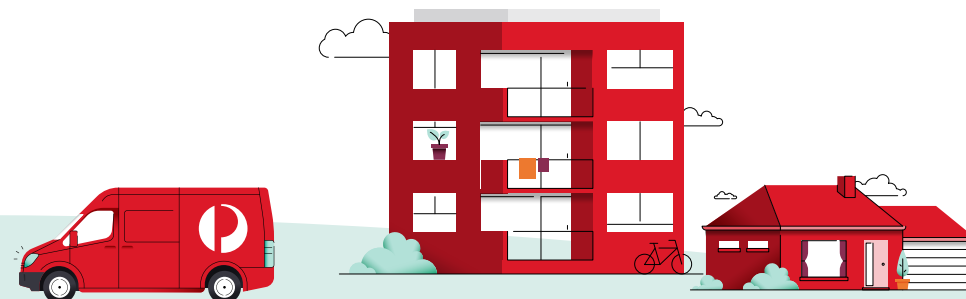Capture and share customer contact details with Australia Post up front

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Foreword

Welcome to Australia Post's inaugural Delivery Experience Report

eCommerce experienced a phenomenal rise in 2020, with almost nine million Australian households making an online purchase, contributing to growth of more than 57 per cent year-on-year.

Even as we work our way through 2021, eCommerce continues to maintain momentum, with five million households consistently buying online each month, 1.1 million more than the average in 2020.

Shoppers are more engaged and comfortable shopping online than ever before, which raises an important question for retailers: how can you consistently deliver a great online retail experience and make sure your customers continue to shop with you?

Shoppers' expectations have shifted, and the delivery experience is increasingly becoming the defining element of the online retail experience, making it critical that retailers get it right.

We are proud to be the delivery partner for many Australian retailers, supporting them to reach their customers no matter where they are based both domestically and internationally. That is why getting the delivery experience right and drawing on data to improve it is our priority too.

While this report presents several simple adjustments retailers can make that can have a significant impact on the overall customer experience, we recognise and understand the important role Australia Post has to play in enabling this. Which is why we continue to invest in our parcel processing infrastructure, tracking and scanning capabilities, and improving delivery predictions and customer notifications.

2020 was a challenging year for businesses, but the changes to the eCommerce landscape, catalysed by the COVID-19 pandemic, have brought about incredible opportunities for retailers to evolve their operations, expand into new markets, reach new customers, and ultimately grow their businesses.

I trust the information in this report will be both useful and actionable, and in conjunction with the lessons and experiences of the last 12-months, enable you to improve the experience you deliver for your current and future customers.

Gary Starr
Executive General Manager Business, Government & International
Australia Post

Executive summary

Data fuels innovation to improve the delivery experience

Australia Post has the privilege of serving all Australians, delivering to over 12.3 million addresses each year, and because of this broad reach, we have the potential to understand our customers in a way that no other organisation can.

Our investments in our data and intelligence capabilities over the years stems from our fundamental belief in data and its power to inform how we create and deliver better experiences for our customers.

Through this report, we are pleased to share with you what we've learned from the millions of customer interactions we have each and every day and what we know about when, where and how people want to receive their parcels.

Drawing on the insights gained from more than 400 million annual B2C deliveries, millions of calls to our contact centre, and over three million annual NPS responses, we have developed five recommendations to help us collectively improve first time delivery, lift customer NPS, and reduce complaints.

1. Reduce signature on delivery and offer more collection points
2. Provide delivery information from checkout to delivery
3. Capture and share customer contact details with Australia Post up front
4. Improve address accuracy and label quality
5. Use 'best fit' packaging

Australia Post uses these insights to innovate and improve our services, and in each recommendation we take you through what getting it right looks like, what we are doing and suggest practical things that you can do to improve the delivery experience for your customers.

These recommendations are just that, recommendations. We provide them as an invitation and a challenge to our collective thinking about how we can work together to design and improve the delivery experience now and in the future.

Silvio Giorgio
General Manager, Data Science
Australia Post

About this report

The rise and rise of eCommerce

In 2020, almost 9 million Australian households shopped online, contributing to a 57% year-on-year (YOY) growth in eCommerce.[1] This growth raises a raft of questions for retailers.

> **With so many of your customers now shopping online – and missing out on the friendly exchange at the counter – how can you deliver a great retail experience?**

How can you own the end-to-end purchase journey, when parts of it are out of your hands? And, ultimately, what can you do to make sure your customers will shop with you again?

Attention has shifted beyond making sure there's enough of what customers want on the shelves, to:

- Providing a more seamless experience across multiple channels
- Setting and meeting evolving customer expectations
- Providing a clear and uncomplicated checkout process
- Getting purchases to shoppers where and how they want them, and as quickly as possible.

Working together to nail the delivery experience

As online shopping continues to pick up pace, it's more important than ever to work together.

> **At Australia Post, we continue to invest in data to help improve the delivery experience. This data helps us understand what works and what doesn't when it comes to getting parcels into customers' hands.**

We've identified some common trends and patterns that may help us improve the delivery experience together.

This inaugural delivery experience report shares five data-based recommendations to help improve the delivery experience for customers.

From first time delivery to managing customer expectations, you'll get practical advice as well as insights into why a great delivery experience matters.

The report draws on the following data:

More than
400 mil
parcel deliveries per year[2]

to
12.3 mil
physical delivery points[2]

3.3 mil
NPS survey responses[3]

5.7 mil
contacts to our call centre[3]

As well as:

- Parcel Post, Express Post and StarTrack Premium data (unless otherwise noted)
- Monthly structured consumer research – as recent as Feb 2021
- International Postal Corporation (IPC) 2020 Annual Report.

The three measures of success

## 1. First time delivery and the impact of carding

When we mention carding throughout the report, we are referring to when a card is left when someone isn't home to receive their parcel. The card lets them know to pick up their parcel from their local Post Office.

When we mention first time delivery, we mean that a parcel is delivered successfully on the first attempt.

First time delivery scenarios:

1. First time delivery to home
2. First time delivery to collection points such as a Parcel Locker or PO Box
3. Being carded to a Post Office

For example:

100 Parcels

10 Carded

90 Successfully delivered

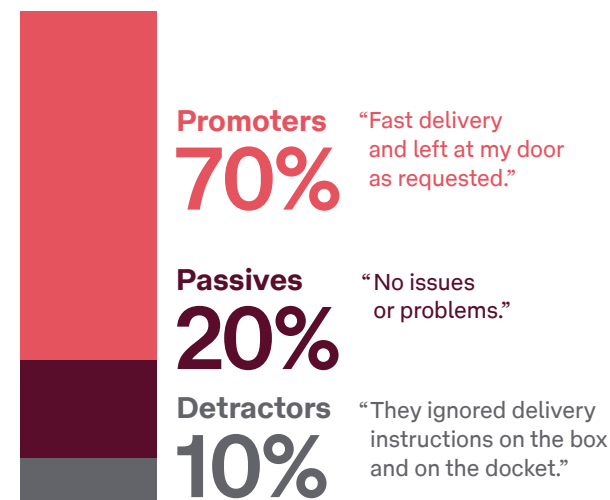= **10%** Card rate & **90%** First time delivery rate
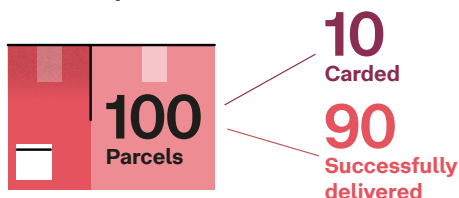
Generally, a lower carding rate or higher first time delivery rate results in a better delivery experience. However, given our extensive network across Australia – comprising 4,330 Post Offices[2] (2,520 of which are in rural and regional areas) – we can keep parcels local and close to customers. That said, our aim is to deliver successfully first time.

2. The Net Promoter Score (NPS)

Throughout the report, we use NPS as a measure of customer satisfaction. NPS is calculated by subtracting the percentage of detractors from the percentage of promoters. The higher your NPS, the happier your customers are.

An example NPS:

Promoters
70%
"Fast delivery and left at my door as requested."

Passives
20%
"No issues or problems."

Detractors
10%
"They ignored delivery instructions on the box and on the docket."

70% - 10% = +60NPS
Promoters   Detractors

3. The number of cases and contacts

When we mention contacts throughout the report, we are referring to cases raised in our contact centre to investigate a parcel.

We use contacts per 1,000 deliveries due to the relatively rare occurrences of contacts. However, where numbers are high enough, a contact rate expressed as a percentage may be used instead. The lower the contacts per 1,000 or contact rate, the better the delivery experience.

For example:

1,000 Parcels   **7** Contacts

= 7 contacts per 1,000

= **0.7%** Contact rate

A guide to the call outs

Suggestion — We've used a 'Suggestion' call out for examples of things you can do.

Remarkably — We've used a 'Remarkably' call out to point out things we feel are especially interesting.

COVID — We've used a 'COVID' call out for COVID specific points of interest.

Our data-based recommendations

Here are our five recommendations – and why they matter when it comes to providing a great delivery experience.

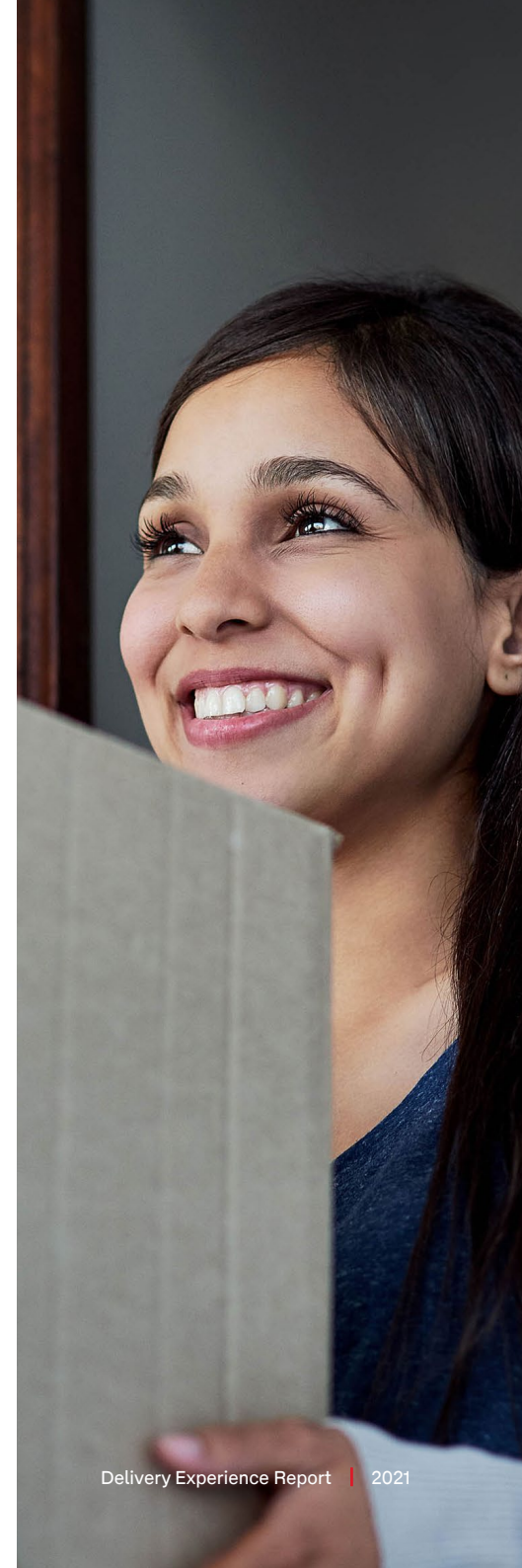**1** **Reduce signature on delivery and offer more collection points** = ↑ **First time delivery** = ↑ **NPS**

2 **Provide delivery information from checkout to delivery** = ↑ **Confidence** = ↑ **NPS** ↓ **Contacts**

3 **Capture and share customer contact details with Australia Post up front** = ↑ **Visibility** = ↑ **NPS** ↓ **Contacts**

4 **Improve address accuracy and label quality** = ↓ **Network delays** = ↑ **NPS** ↓ **Contacts**

5 **Use 'best fit' packaging** = ↑ **Brand perception** = ↑ **Loyalty**

Great delivery experience

Reduce signature on delivery and offer more collection points

Summary

Provide a simpler experience

With more shoppers choosing to buy online, retailers are realising the importance of providing a seamless experience across both physical and digital channels.

Across both channels, one thing is clear.

> **Customers seek convenience. And this consumer desire to get things done simply across multiple channels extends to the delivery experience. No matter where or how a customer opts to receive their purchase, they want it to be convenient.**

First time delivery is key

The biggest obstacle getting in the way of first time delivery is requiring a signature on delivery. In fact, reducing this obstacle can reduce the carding rate by up to 89%. NPS is also significantly higher for customers who receive their delivery first time, versus those carded to a Post Office.[3]

Of course, while it's preferable to deliver a parcel to the front door the first time, partnering with Australia Post means that a customer's parcel will be taken to a Post Office if someone isn't home to receive it and hasn't given authority to leave it in a safe place.

Interestingly, when customers **choose** to pick up from a Post Office, their NPS doubles and they collect their parcel twice as quickly than if they were carded – so it's still a great idea to offer choice of collection points in the shopping cart.

'Safe drop' can help with first time delivery. In a survey of over 2,000 people who received a parcel in February 2021, 69% said they preferred to have their parcels left in a safe place over having to sign for them – a convincing 77% rated 'safe drop' as important to them.[4]

Remarkably
Retailers who reduce signature on delivery experience little to no impact on items lost in transit – yet they improve both first time delivery and NPS.
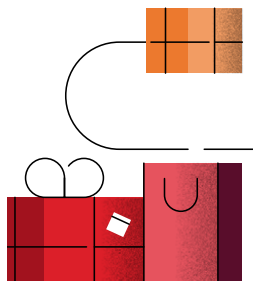
Customers want more collection options

Deliveries to apartments increased faster than deliveries to houses in the past 12 months, with apartment deliveries up nearly 80% YOY.[3] Given that it's harder to deliver first time to apartment dwellers – and safe drop is not always an option – it's even more important to offer additional collection points as these deliveries have considerably lower first time delivery and lower NPS.

Offering more options for collecting parcels is proven to improve first time delivery and NPS.

Almost half (49%) of those surveyed said access to additional collection points was important to them – yet current satisfaction was just 52%.[4] This suggests a potential quick 'win' by simply adding the option of additional collection points at checkout.

COVID With people working from home, delivery volumes grew by more than 60% and carding rates declined by nearly half.

Suggestion At checkout, make it clear you use Australia Post so customers know they can choose to collect at a Parcel Locker, Post Office or PO Box.

49%
said more collection points was important

Reduce signature on delivery and offer more collection points

Limit signatures to boost NPS

Requiring a signature on delivery is the number one reason customers get carded. Unsurprisingly, being carded to a Post Office impacts NPS. What's more, the longer a person takes to collect their carded parcel, the lower the NPS.

Suggestion
Consider removing the requirement for signature on delivery. To start, you could remove signature for items or carts under a certain value.
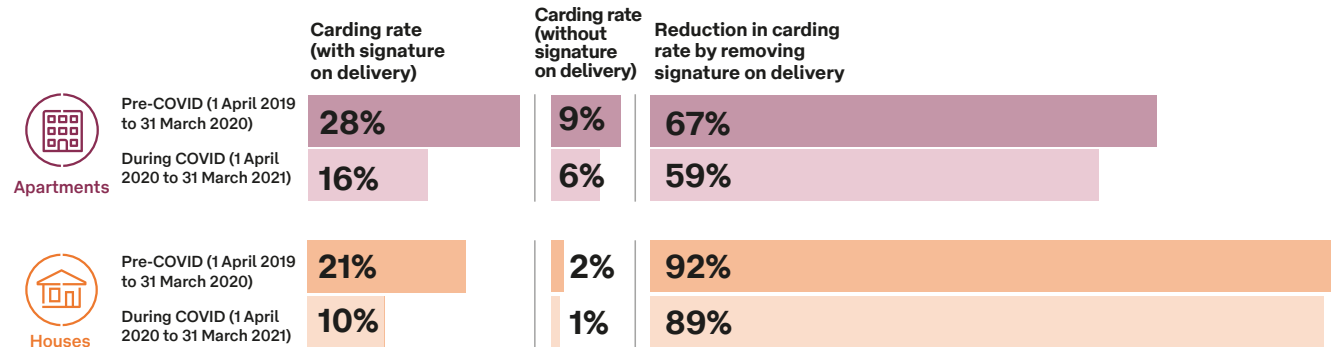
Remarkably
Reducing signature on delivery reduces carding by up to 89%, saving almost nine in ten of your carded customers a trip to the Post Office to pick up their parcel.

COVID
During COVID, people were at home more often – so carding rates declined. Yet the removal of signature on delivery still helped reduce the rate of carding.
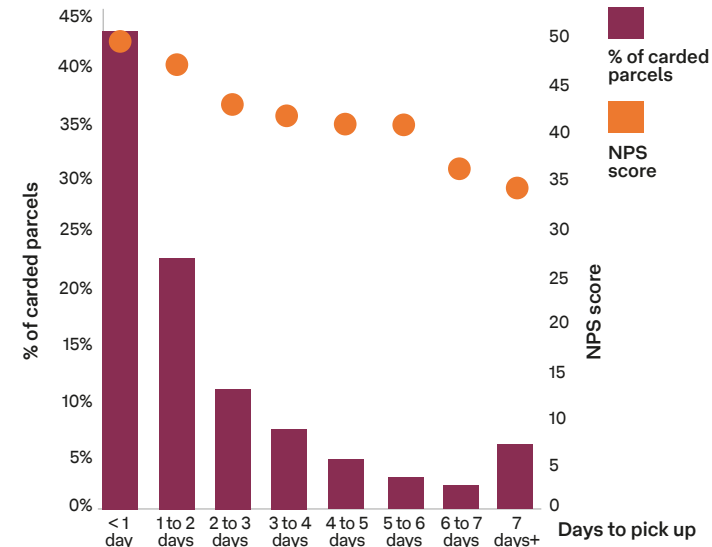
How signature on delivery affects carding rates[3]

		Carding rate (with signature on delivery)	Carding rate (without signature on delivery)	Reduction in carding rate by removing signature on delivery
Apartments	Pre-COVID (1 April 2019 to 31 March 2020)	28%	9%	67%
	During COVID (1 April 2020 to 31 March 2021)	16%	6%	59%
Houses	Pre-COVID (1 April 2019 to 31 March 2020)	21%	2%	92%
	During COVID (1 April 2020 to 31 March 2021)	10%	1%	89%

Carded parcels take longer to collect[3]

Just **45%** of customers will pick-up a parcel within one day when carded

Over **6%** of carded parcels are not picked up within a week

2.5 days on average for a customer to pick up a parcel when carded

1 day on average for a customer to pick up a parcel if they choose the Post Office as their collection point

↑37pts boost to NPS when a customer uses a collection point vs being carded

Number of days to pick up a carded item[3]

% of carded parcels / NPS score chart by days to pick up (< 1 day, 1 to 2 days, 2 to 3 days, 3 to 4 days, 4 to 5 days, 5 to 6 days, 6 to 7 days, 7 days+)

% of carded parcels

NPS score

Reduce signature on delivery and offer more collection points

Across categories, carding rates differ

Carding rates fall across all categories when signature on delivery is removed.

Lower-value items could be a good place to start in reducing the volume of parcels requiring signature on delivery.
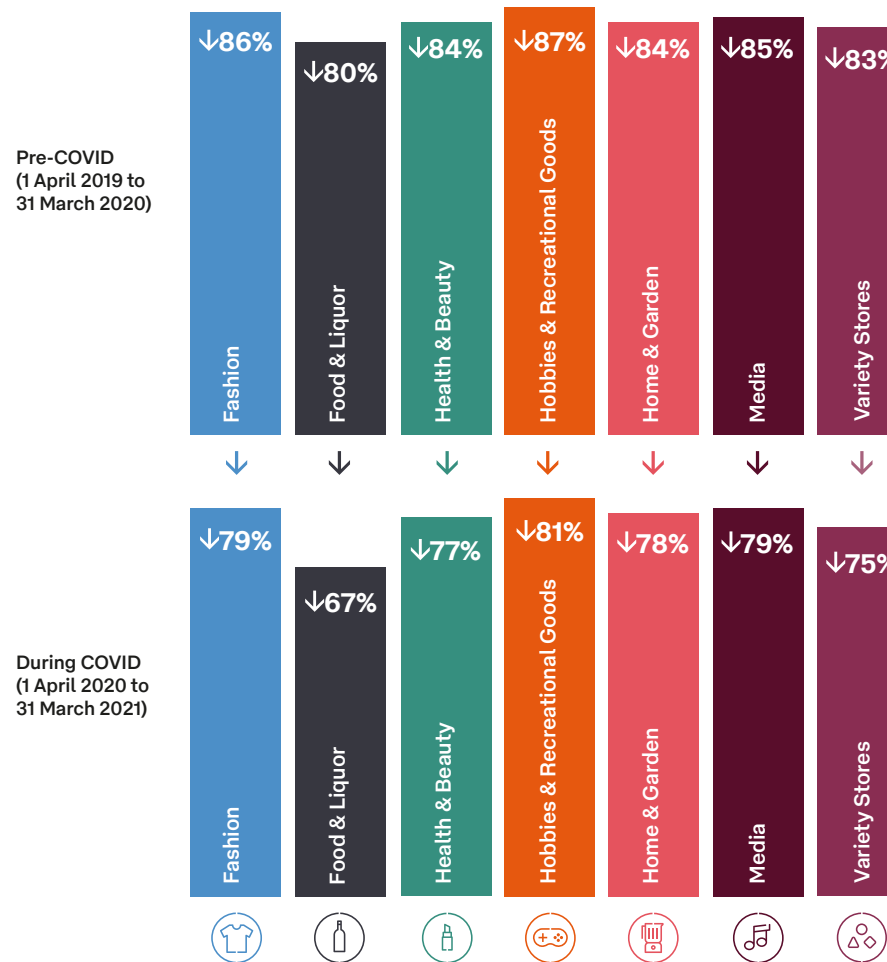
Remarkably
Across all categories, retailers are starting to recognise the impact signature on delivery has on the delivery experience. They are exploring how to reduce the use of signatures.

Suggestion
Consider offering 'safe drop' for deliveries that don't require a signature. Note: We would need the receiver's contact details to provide access to this service.

Reduction in carding rate when signature on delivery is removed[3]

Pre-COVID
(1 April 2019 to
31 March 2020)

Fashion	Food & Liquor	Health & Beauty	Hobbies & Recreational Goods	Home & Garden	Media	Variety Stores
↓86%	↓80%	↓84%	↓87%	↓84%	↓85%	↓83%

During COVID
(1 April 2020 to
31 March 2021)

Fashion	Food & Liquor	Health & Beauty	Hobbies & Recreational Goods	Home & Garden	Media	Variety Stores
↓79%	↓67%	↓77%	↓81%	↓78%	↓79%	↓75%

Reduce signature on delivery and offer more collection points

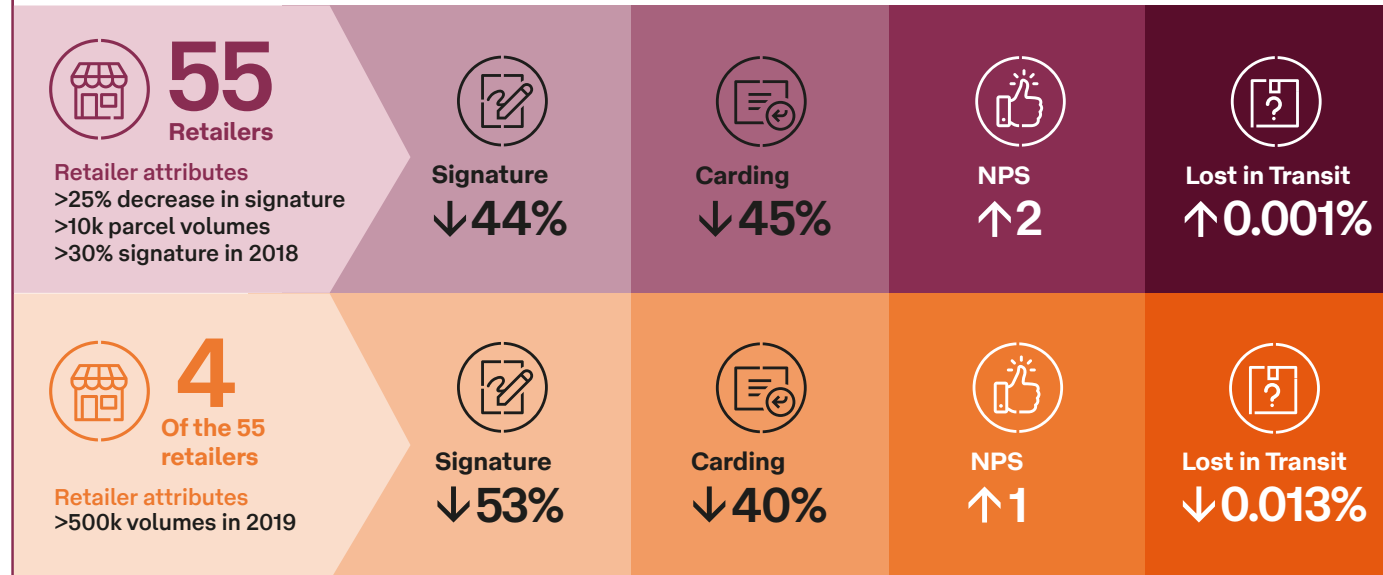## Parcels still arrive safely without signatures

When parcels get lost in transit, the impact on the customer experience can be detrimental.

We analysed 55 retailers who moved away from signature on delivery for a significant portion of their deliveries, the results were resoundingly positive.

Overall, they experienced a reduction in their carding rates by nearly half, as well as a two point increase in NPS; while the lost in transit rate was barely affected, only growing by 1 in 100,000 deliveries.

The four large retailers in the study experienced similar results.

Retailers large and small reap the NPS rewards of reducing signature on delivery (1 Jan 2019 – 31 Dec 2019)[5]

	Signature	Carding	NPS	Lost in Transit
55 Retailers — Retailer attributes >25% decrease in signature >10k parcel volumes >30% signature in 2018	↓44%	↓45%	↑2	↑0.001%
4 Of the 55 retailers — Retailer attributes >500k volumes in 2019	↓53%	↓40%	↑1	↓0.013%

Reduce signature on delivery and offer more collection points

Deliveries to apartments continue to grow

Even before COVID struck, YOY growth in deliveries to apartments was faster than those to houses (25% compared to 22% YOY). During COVID, the trend accelerated – with YOY growth in deliveries to apartments at nearly 80%, compared with nearly 70% for houses.

This growth matters because delivering items to apartments is more difficult – it's harder to deliver to the door, which can increase the likelihood of getting carded.

Suggestion

Encourage customers – especially those who live in apartments – to download and use the Australia Post App to set alternative collection points.

B2C deliveries – % of volume by destination[3]

Pre-COVID (1 April 2019 to 31 March 2020)
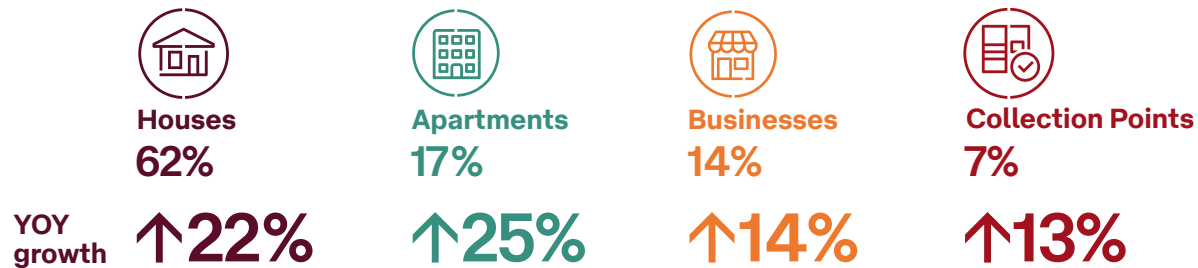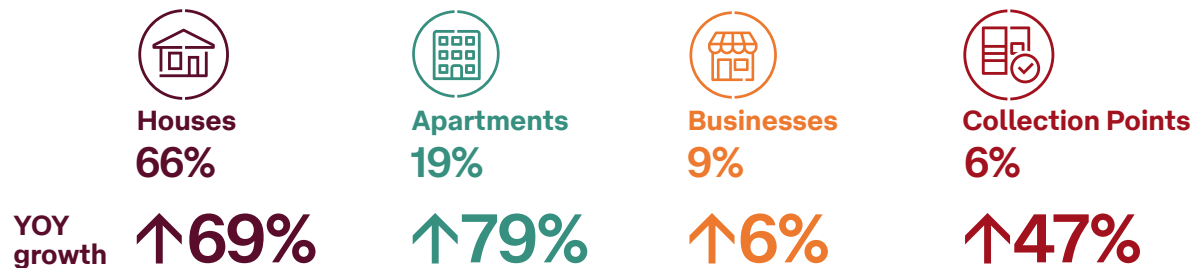
	Houses	Apartments	Businesses	Collection Points
	62%	17%	14%	7%
YOY growth	↑22%	↑25%	↑14%	↑13%

During COVID (1 April 2020 to 31 March 2021)

	Houses	Apartments	Businesses	Collection Points
	66%	19%	9%	6%
YOY growth	↑69%	↑79%	↑6%	↑47%

Reduce signature on delivery and offer more collection points

Delivery location matters

When it comes to where a parcel is delivered, location matters. Apartment deliveries record the lowest average NPS, at +67 – compared to +70 for parcels delivered to houses, and +71 for parcels delivered to other collection points.

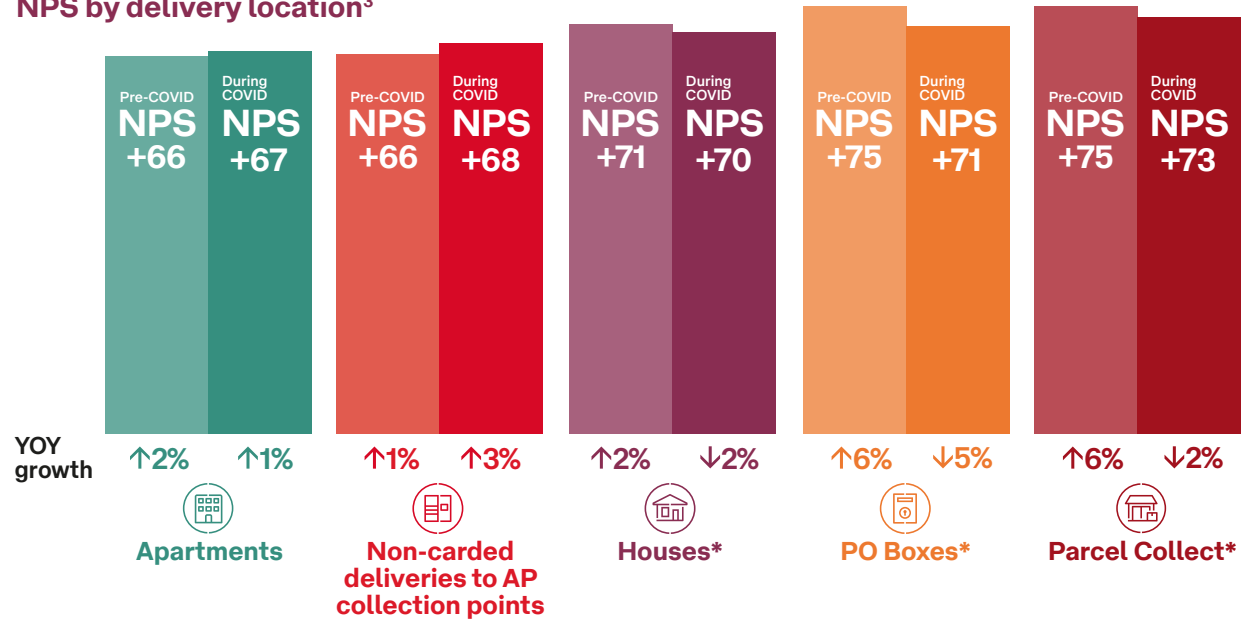The majority of deliveries to a collection point are to PO Boxes (currently representing 13% of all delivery points). PO Boxes are also the only delivery option for more than 300k customers in rural and regional areas.

While an NPS score above +60 is a great outcome, the lower NPS for deliveries to apartments is certainly something for retailers to be aware of.

Remarkably When a customer chooses an alternative collection point, their NPS almost doubles and they pick up more than twice as fast (52hrs vs 21hrs).

NPS by delivery location[3]

	Apartments		Non-carded deliveries to AP collection points		Houses*		PO Boxes*		Parcel Collect*	
	Pre-COVID	During COVID	Pre-COVID	During COVID	Pre-COVID	During COVID	Pre-COVID	During COVID	Pre-COVID	During COVID
NPS	+66	+67	+66	+68	+71	+70	+75	+71	+75	+73
YOY growth	↑2%	↑1%	↑1%	↑3%	↑2%	↓2%	↑6%	↓5%	↑6%	↓2%

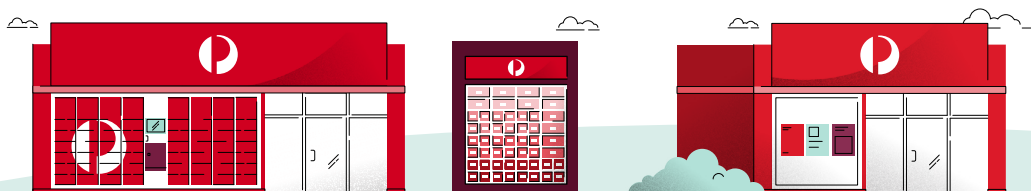## Customers have a better experience when they choose a collection point[3]

When we card customers to a Post Office
NPS+34

When customers choose to have their parcels sent to a collection point
NPS+71

*The decline in NPS for Houses, PO Boxes and Parcel Collect during COVID could be attributed to delays caused by operational restrictions (e.g. fewer Australia Post staff during lockdowns).

How increasing first time delivery improves KG Group's delivery experience

KG Group has built a highly successful marketplace business by consistently prioritising customer experience.

Doron Kushlin
Co-founder
KG Group

Doron Kushlin and Nimrod Ganon started out selling one product on eBay – a TV bracket. Ten years later, KG Group (formerly KG Electronic) sells more than 20,000 products and is one of Australia's largest marketplace retailers. In 2020, turnover was $30 million.*

Selling via marketplaces can mean relinquishing control over key customer touchpoints.

That's why Doron has been quick to adapt changes he knows will improve customer experience – such as removing the need for signature on delivery.

"From day one, we have focused on quick despatch and delivery certainty," says co-founder Doron Kushlin.

> **" If people know they can trust you, and the product will arrive on time and safely, then they'll be happy."**

'Safe drop' deliveries boost satisfaction

The last thing KG Group's customers want is to miss a delivery, and get a card telling them they need to pick up their parcel from their local Post Office.

In 2019, Doron's Australia Post Account Manager suggested KG Group implement 'authority to leave' to improve first time delivery rates.

"We knew it would be a better customer experience, so we said OK, let's do it," explains Doron.

> **" We'd seen how options like 'safe drop' had evolved. It's more common now for parcels to be left in a safe place."**

KG Group no longer requires signature on delivery unless the order is over a certain value. That means most products can be left in a safe place without carding. "It's better for the customer, and we have had no increase in missing parcel queries. No issues at all. Authority to leave works well, I'm happy."

> **" I would definitely recommend moving to authority to leave," adds Doron. "It's the way to go."**

Continually improving delivery

"We've added more Australia Post services, such as same-day delivery if customers order by a certain time," says Doron. "And because we've added more fragile products to the range, we're trialling a new palleting system with Australia Post to make sure they're despatched safely."

With plans to expand into more categories, KG Group stays one step ahead of product trends. As Doron says, offering must-have products, along with the best delivery experience, is what brings KG Group's customers back – and sustains its phenomenal growth.
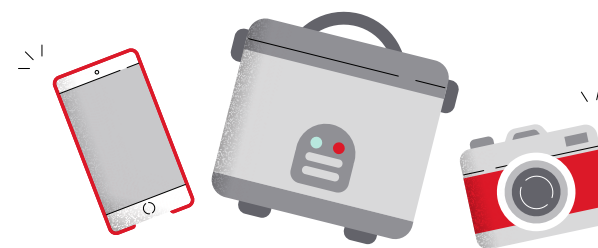
* How two Melbourne mates turned their side hustle into a global electronics business, Eliot Hastie, News.com.au March 2020

How Australia Post helps retailers offer more collection points

More collection points to help improve first time delivery

Consumers can sign up for a MyPost Account to use the Australia Post App to access more collection points.

PO Box Plus*

In 2020, we launched PO Box Plus, an extension to our PO Box service that enables consumers to get access to up to 50 eligible parcels per billing year – no matter which carrier delivers them.

Australia Post Collect

Since launching in June 2020, our easy to use widget or API (integrated into retailers' shopping carts) gives consumers access to more than 4,500 collection points, through the combination of Parcel Lockers, Parcel Collect and retail partner locations.

Parcel Lockers^

We are growing our Parcel Locker network of 500 locations to 1,000 – all with 24/7 contactless access. For added security, users are ID verified at the time of registration.

Parcel Collect°

Via their MyPost account, consumers can send deliveries to one of over 3,900 participating Post Offices nationwide.

Retail partner locations

A growing network of 155 retail partner locations for receivers to collect their deliveries from.

*^° See page 38

What retailers can do to help offer more collection points and reduce signature on delivery

At checkout, make it clear you use Australia Post; so customers know they can choose to collect at a Parcel Locker, Post Office or PO Box.

Consider removing the requirement for signature on delivery. To start with, remove signature for items or carts under a certain value.

Consider offering 'safe drop' for deliveries that don't require a signature. Note: We would need the receiver's contact details to provide access to this service.

Encourage customers who live in apartments – to download and use the Australia Post App to set their preferred collection points.

Provide collection points as an alternative for those who live in an apartment or may feel uncomfortable having parcels left on their doorstep.

Australia Post Collect services can be accessed via direct API integration or a widget plug-in.

Our Delivery Experience Toolkit has more information on how to offer more collection points.

Provide delivery information from checkout to delivery

Summary

Build customer confidence

Give your customers confidence by setting clear expectations around cost, speed and estimated time of arrival up-front.

Be as clear as you can about timing

Enabling customers to choose the speed of delivery is important, as is being clear about when they can expect their parcel to arrive. In saying that, the majority of customers value certainty over speed (although speed still matters in some categories). Getting the delivery date right can have a positive impact on NPS, even if delivery is delayed.

> **Suggestion**
> Consider giving new customers more delivery information. See checklist on next page.

> **Suggestion**
> Consider the type of item you're sending. If it is considered a 'dangerous good', for example, some shipping options may not be available.

In fact, in a survey of over 2,000 people who received a domestic parcel in the month of February 2021, 60% said certainty around the timing of a delivery was more important to them than getting it quickly. In the same survey, free delivery over a certain threshold was important to 81% of shoppers.[4]

Being clear about delivery timing helps to build confidence around delivery, which in turn reduces the number of customer contacts.

60%
want certainty over speed

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Be clear about costs

In the Feb 2021 survey, 89% of respondents said clear, up-front information about postage and delivery charges was important to them.[4] This also holds true for cross-border shoppers. The 2020 International Postal Corporation (IPC) shopper survey found the vast majority (90%) of shoppers want to see clear information about delivery charges up-front – in fact, this has been the most important delivery factor for five years running.[6]

Setting clear expectations about delivery is particularly important for new and infrequent online shoppers.

Suggestion

Use our free international export tools to calculate delivery charges, duties and taxes, and clearly communicate these charges at checkout.

Delivery information checklist (from checkout to delivery)

For domestic deliveries, include:
- ✓ Number of items being shipped
- ✓ Where the items are being shipped from and to
- ✓ Tracking links
- ✓ Whether they need to show ID on delivery
- ✓ Delivery costs
- ✓ Collection point options
- ✓ Returns policy
- ✓ Free shipping threshold
- ✓ An estimated delivery date (in conjunction with your logistic partner)
- ✓ Contact details for customer queries.

For international deliveries, include:
- ✓ Your international shipping strategy in your shipping policy
- ✓ Free shipping threshold
- ✓ All shipping costs including customs and duties information
- ✓ Your delivery speeds (including time in customs)
- ✓ Information on parcel tracking and notifications (including customs)
- ✓ Estimated time to process order, and expected delivery times
- ✓ Return policy
- ✓ Contact details for customer queries.
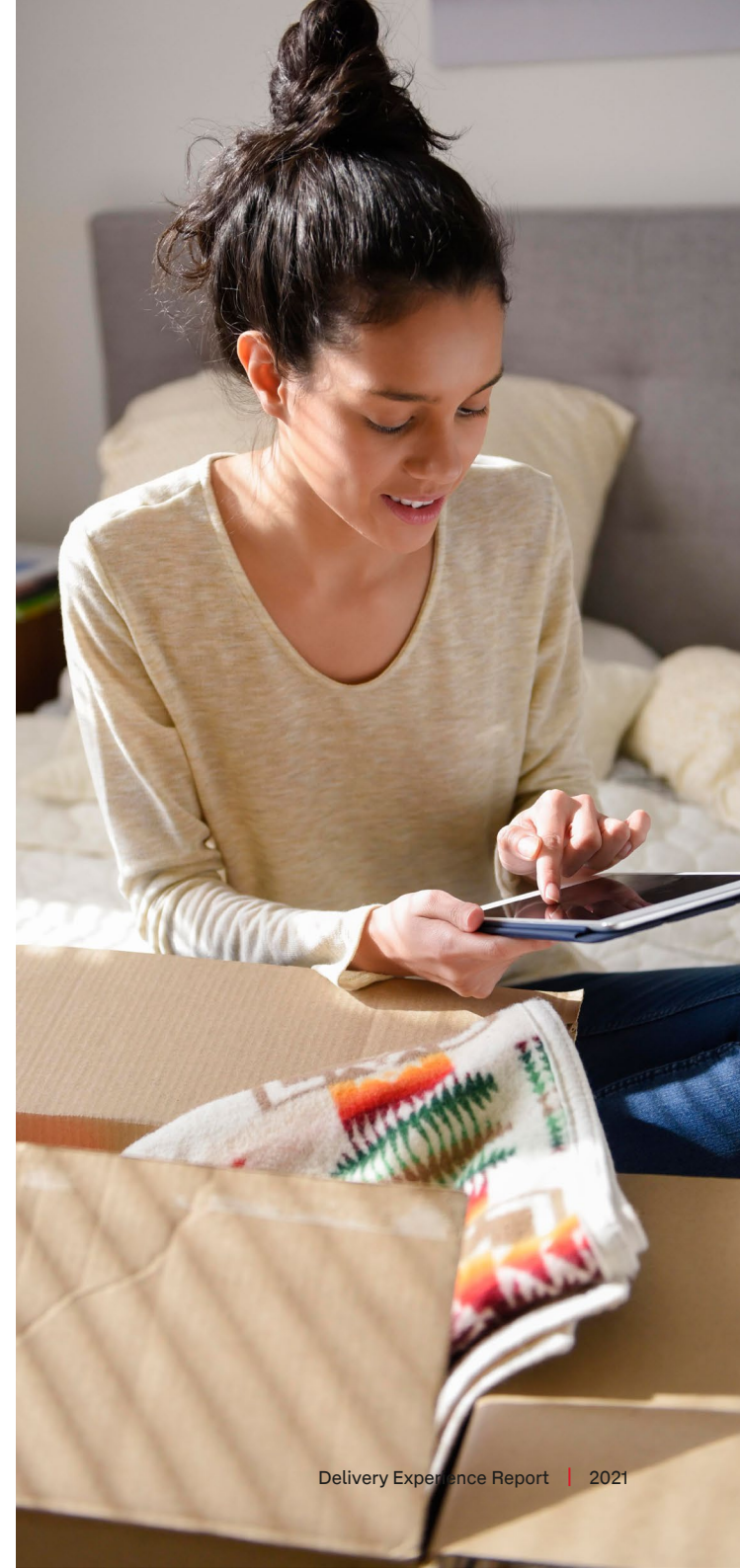
Provide delivery information from checkout to delivery

Meeting delivery expectations helps improve NPS

To improve the customer experience – which leads to less contacts and a higher NPS – it's important to deliver on time.

Australia Post is working hard to set and meet expectations around the timing of deliveries. Why? We see a 68% drop in contacts when we meet the delivery expectations we set - of course this is only possible if we have the customer's contact details.

Even better, exceeding customer expectations by delivering a parcel earlier than expected can result in a third fewer contacts compared to when deliveries arrive on the estimated delivery date. This scenario results in the highest NPS and the lowest number of contacts.

Suggestion
Take location into consideration when setting delivery expectations.

Suggestion
Avoid giving customers the opportunity to add special instructions if your delivery process could override them (e.g. requiring signature on delivery).

Impact of parcel arrival time on NPS and contacts (1 Apr 2020 – 31 Mar 2021)[3]

If the parcel arrived...

Contacts per 1000 deliveries

earlier than the estimated delivery date

NPS+79   **2.7**

on the estimated delivery date

NPS+76   **4.2**

later than the estimated delivery date

NPS+58   **13.2**

Remarkably

Concerns around delivery delays can be reduced by simply providing receivers with an accurate, revised delivery date.

Delayed deliveries that arrive on the estimated delivery date (EDD) provided have

76%

less contacts[7] than delayed deliveries with no EDD provided.

Provide delivery information from checkout to delivery
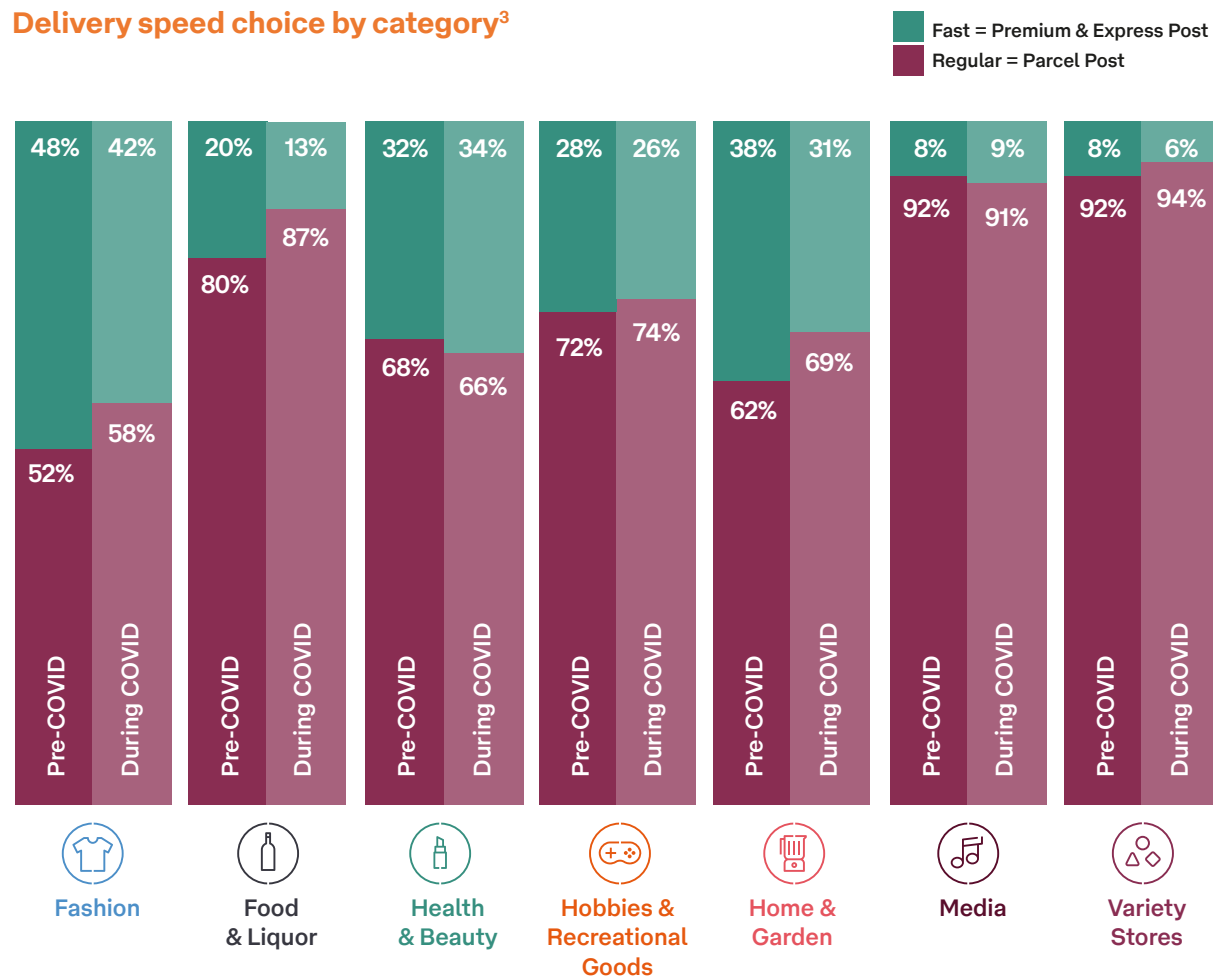
In some categories, speed matters

Although the data shows that consumers prefer certainty over speed, fast delivery still matters. In fact, three-quarters of shoppers rate speed as an important part of the delivery experience.[4]

Drilling down into the different categories, it's clear that speed matters more for some products than others. For instance, in the Fashion category, 42% of shoppers choose a faster delivery speed – yet when it comes to Variety Stores, only 6% opt for fast delivery.

COVID

To provide an accurate, category-based view of delivery speed choices, we've used data from the year before the pandemic was declared. We've done this because we made changes to our Express service during COVID due to the significant increase in parcel volumes.

Suggestion

Separate your same state Express parcels from your interstate Express parcels, and your small and large Parcel Post parcels to ensure they go directly to a dedicated facility for faster processing.

Delivery speed choice by category[3]

Legend:
- Fast = Premium & Express Post
- Regular = Parcel Post

Fashion
- Pre-COVID: Fast 48%, Regular 52%
- During COVID: Fast 42%, Regular 58%

Food & Liquor
- Pre-COVID: Fast 20%, Regular 80%
- During COVID: Fast 13%, Regular 87%

Health & Beauty
- Pre-COVID: Fast 32%, Regular 68%
- During COVID: Fast 34%, Regular 66%

Hobbies & Recreational Goods
- Pre-COVID: Fast 28%, Regular 72%
- During COVID: Fast 26%, Regular 74%

Home & Garden
- Pre-COVID: Fast 38%, Regular 62%
- During COVID: Fast 31%, Regular 69%

Media
- Pre-COVID: Fast 8%, Regular 92%
- During COVID: Fast 9%, Regular 91%

Variety Stores
- Pre-COVID: Fast 8%, Regular 92%
- During COVID: Fast 6%, Regular 94%

Provide delivery information from checkout to delivery

Meet customers' evolving expectations

It pays to know what other categories your customers buy from and the standards retailers in those categories are setting when it comes to the delivery experience.

For example, if you are in the Hobbies & Recreational Goods category, 99% of customers also purchase from Home & Garden, 97% from Variety Stores and 95% from Fashion retailers.
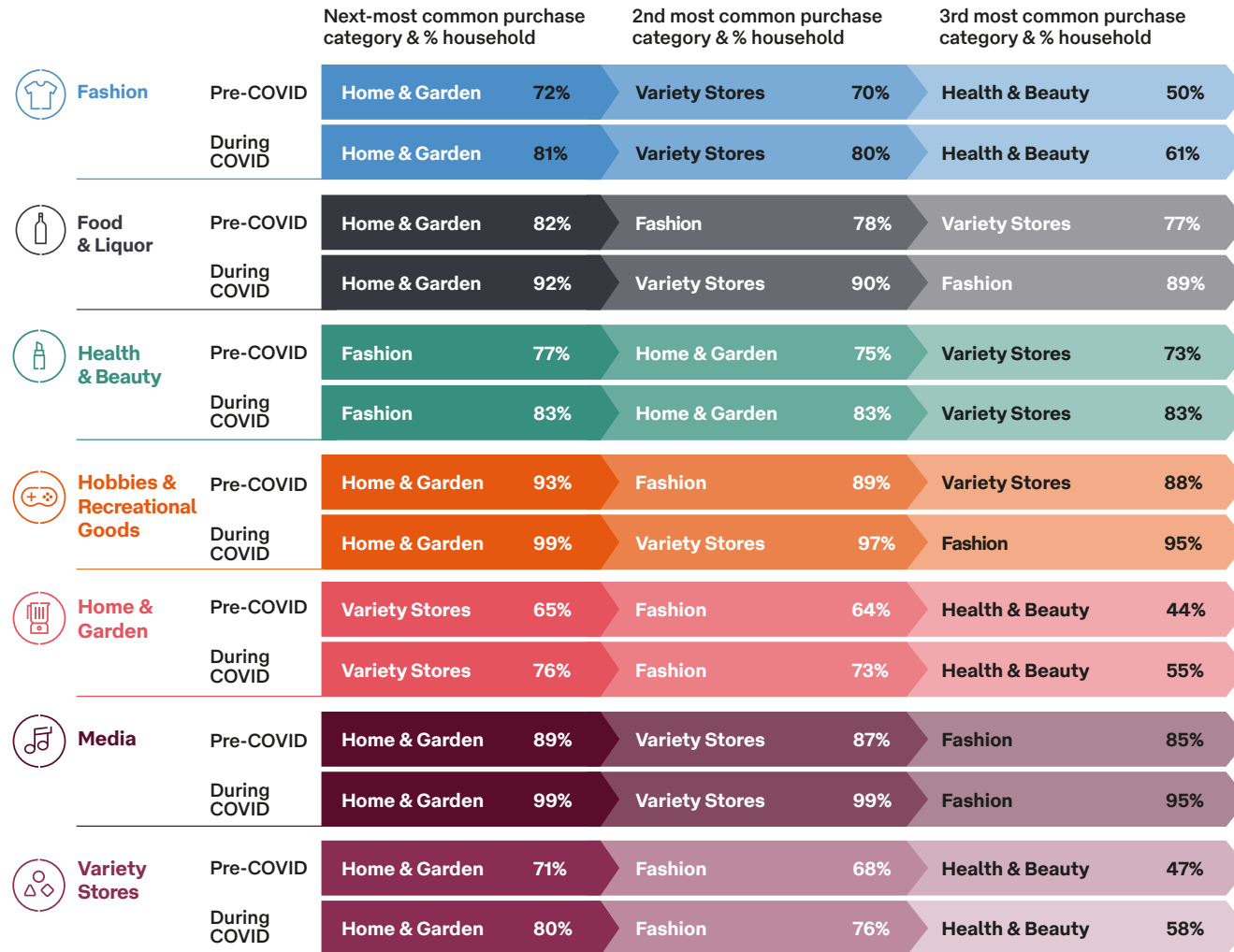
COVID
Throughout COVID, the categories most commonly purchased has shifted slightly in line with consumer needs. As people spent more time at home, the prevalence of Home & Garden and Health & Beauty grew.

Suggestion
When benchmarking your delivery experience against your competitors, look beyond your category to consider the other categories your customers are likely to buy from.

Where else your customers are shopping[3]

		Next-most common purchase category & % household		2nd most common purchase category & % household		3rd most common purchase category & % household	
Fashion	Pre-COVID	Home & Garden	72%	Variety Stores	70%	Health & Beauty	50%
	During COVID	Home & Garden	81%	Variety Stores	80%	Health & Beauty	61%
Food & Liquor	Pre-COVID	Home & Garden	82%	Fashion	78%	Variety Stores	77%
	During COVID	Home & Garden	92%	Variety Stores	90%	Fashion	89%
Health & Beauty	Pre-COVID	Fashion	77%	Home & Garden	75%	Variety Stores	73%
	During COVID	Fashion	83%	Home & Garden	83%	Variety Stores	83%
Hobbies & Recreational Goods	Pre-COVID	Home & Garden	93%	Fashion	89%	Variety Stores	88%
	During COVID	Home & Garden	99%	Variety Stores	97%	Fashion	95%
Home & Garden	Pre-COVID	Variety Stores	65%	Fashion	64%	Health & Beauty	44%
	During COVID	Variety Stores	76%	Fashion	73%	Health & Beauty	55%
Media	Pre-COVID	Home & Garden	89%	Variety Stores	87%	Fashion	85%
	During COVID	Home & Garden	99%	Variety Stores	99%	Fashion	95%
Variety Stores	Pre-COVID	Home & Garden	71%	Fashion	68%	Health & Beauty	47%
	During COVID	Home & Garden	80%	Fashion	76%	Health & Beauty	58%

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Provide delivery information from checkout to delivery

Give new shoppers some extra TLC

Generally, new customers will have a lower NPS and higher contact rate than existing online shoppers. New online shoppers often call earlier and more frequently as they may not be as familiar or comfortable with the ordering and delivery process.

In some categories, the difference in NPS for new and existing shoppers can be significant. For example, Food & Liquor has the lowest NPS for new shoppers and one of the largest gaps (6 points) when comparing new and frequent online shoppers. Whereas, with Home & Garden, there is barely a difference (1 point).

So, depending on your category, you may want to give new shoppers more information about what to expect with their delivery, to boost their confidence.

Remarkably Home & Garden has the smallest gap in NPS when comparing new and existing shoppers.

NPS for new vs existing shoppers (1 Apr 2020 – 31 Mar 2021)[3]

Category	New Shopper NPS	Frequent Shopper NPS	Difference in NPS: new vs. frequent shoppers
Food & Liquor	+59	+65	↓6
Health & Beauty	+67	+72	↓5
Fashion	+67	+71	↓4
Variety Stores	+71	+74	↓3
Home & Garden	+63	+64	↓1

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Great expectations: how Booktopia meets its delivery promise

Booktopia's Wayne Baskin shares the many levers he pulls to ensure the best possible delivery experience.

booktopia

Wayne Baskin
Deputy CEO and CTO
Booktopia

When customers buy books online, they want to know when they'll receive their order. And according to Booktopia Deputy CEO and CTO Wayne Baskin, having that certainty is more important than the speed of delivery.

> **"We've learned over many years that certainty is more important than same-day delivery for books. So we tell people the delivery timeframe before they buy, and give them the ability to enter their postcode to get a more accurate estimate for delivery."**

Setting the right expectations

"There are some cases, like a late birthday present or needing a book for exams, where we use a faster service and the customer pays for it. But for most people, if you tell them it will be there in two to three days, they're happy," says Wayne.

Tracking adds another layer of confidence.

> **"We tend to over-communicate to build trust. As soon as we manifest, a tracking code is automatically sent to the customer to tell them the item has been shipped," says Wayne.**

He believes this reduces the number of contacts, too.

More choices, more control

"We were early adopters of Parcel Lockers, and our parcel size really suits that option," says Wayne. More recently, he's seen customers embrace alternative collection points, like the local supermarket or pharmacy, so they can collect their parcel when and where it suits them.

Sized to fit

Booktopia's two new CMC packaging machines are faster and wrap more precisely – which means fewer damages, and smaller parcel sizes.

There's an environmental upside as well. Booktopia no longer uses any bubble wrap, and can fit more parcels in a delivery truck, which reduces fuel consumption per order.

Right-sized packaging has positive brand outcomes as well. Wayne says Booktopia recorded a significant increase in its NPS score for customers who received the new packaging. "I think the parcels are also more aesthetically pleasing. They're well-branded."

An ongoing journey

Wayne says he's paying close attention to customer repurchase rate, with so many new customers buying online for the first time. And because he sees Australia Post as an extension of his business, he works proactively with his Account Manager to understand the impacts on the delivery experience.

> **"We're always working with Australia Post to improve the customer experience from a delivery perspective, so it reflects better on Booktopia," he says.**

From understanding and measuring what matters most to customers, to managing those expectations through fulfilment, packaging and tracking, Booktopia makes sure it stays in its customers' good books.

How Australia Post helps retailers provide parcel delivery information

We're working on increasing the accuracy of our estimated delivery dates

We are deploying artificial intelligence to improve the accuracy and consistency of our EDDs, and deliver the certainty customers value.

Tighter delivery windows

To keep improving Australia Post parcel delivery, we're implementing route optimisation technology for our estimated delivery times. Once a parcel is scanned by the driver, it calculates the optimum route for delivery of parcels. When the driver delivers their first parcel of the day, this triggers a notification to all other customers on the route advising of a **2-hour delivery window.**

International export tools

Our free export tools support retailers who send parcels internationally. These tools:

• Classify all products with a Harmonised System (HS) tariff code
• Retrieve export information, based on the product(s) in the shipment
• Show estimated duties and taxes for the shipment, with a breakdown for each product.

To access these tools, retailers can visit the Australia Post Developer Centre and use their existing Shipping and Tracking API keys. To view the new APIs, head to the Developer Centre and see:

• International Export Tools
• Export Classification Tool
• Combined Export Tool

What retailers can do to help provide delivery information from checkout to delivery

Setting expectations up-front is crucial to the experience. Be clear about costs, speed and any shipping considerations relating to 'dangerous goods'.

Take location into consideration when setting delivery expectations. Australia Post will help to set expectations with an accurate EDD.

Consider giving new customers more information by letting them know what to expect, as part of post order communications.

When benchmarking your delivery experience against your competitors, look beyond your category to consider the other categories your customers are likely to buy from.

Use our free international export tools to calculate delivery charges, duties and taxes, and clearly communicate these charges at checkout.

Integrate with Australia Post's Shipping and Tracking APIs for a faster, streamlined and scalable delivery experience.

Our Delivery Experience Toolkit has more information on how to improve the delivery experience.

Capture and share customer contact details with Australia Post up front

Summary

Tracking customer behaviour

Generally, by the time a customer picks up the phone to make contact about a delivery, there's an issue. And issues impact NPS. To understand the issues at play, we conducted extensive research and tested over 30 hypotheses analysing why customers contact us about their deliveries.

From this research, we identified four key insights[7]:

1. Delays are the primary reason people contact us, but telling customers when to expect the parcel resets expectations.

2. Communicating regularly and consistently reduces the number of contacts.

3. Tracking is the last line of defence before a contact.

4. A customer's past delivery experiences matter, so having contact details to communicate with these customers is important.

> **Providing us with contact details enables us to: reset delivery expectations of in-flight deliveries, provide clear communication to receivers, and match customers to their parcels for tracking.**

We are working on a new approach to delivery tracking that gives customers more control over the notification experience. The MyPost account and the Australia Post App are critical to this experience because they link all of a customer's online purchasing into a single application.

Over a third of parcels are actively tracked

Additionally, in our February 2021 parcel receiver survey, a convincing 74% of customers said real-time tracking was important to them.[4]

> **When it comes to the number of notifications, the data reveals a 59% preference for regular tracking versus just 41% who only want to be notified if there's an issue.[4]**

👍 Measuring customer satisfaction

If we have an email address, we can email a short NPS survey to your customers within 24 hours of them receiving their parcel to find out if they're happy with the delivery experience.

Here's what you need to know:

- Customers do not receive the survey more than once in three months

- NPS is calculated based on responses to the question: How likely are you to recommend Australia Post to family and friends?

- The information we gather helps us improve the delivery experience for your customers.

Capture and share customer contact details with Australia Post up front

A deeper dive into the four key insights on customer contacts[7]

Insights

			Proof points (Jan-Jul 2020)	
1	**Delays are the primary reason people contact us, but telling customers when to expect the parcel resets expectations**	Customers call when items are delayed (by our standards). When we have contact details we can provide an updated Estimated Delivery Date (EDD) that resets customer expectations of an on-time delivery and reduces contacts.	**76%** reduction in contact rate when an 'on-time' EDD on delayed parcels is provided	**95%** EDD accuracy at present, with AI being used to improve this
2	**Communicating regularly and consistently reduces the number of contacts**	It's important to give us contact details so we can tell customers their parcel is progressing through the delivery process. Interestingly, East Coast customers expect parcels to take the same time, regardless of distance travelled. For example, a Melbourne customer would expect parcels from Sydney and Brisbane to arrive at the same time – even though one travels further.	**5 days** is the typical wait time for East Coast customers from manifest/ lodgement to contact	**35%** reduction in contacts when a customer receives four tracking notifications (note: four is the typical number for a non-carded, non-delayed delivery)
3	**Tracking is the last line of defence before a contact**	About one-third of parcels go to customers who actively use tracking. Having contact details on the parcel enables us to match more customers to more parcels and provide a better tracking experience.	**70%** less likely for matched customers (in the App or online tracking) to contact us compared to unmatched customers	**+9pt** NPS boost for matched customers over unmatched customers
4	**A customer's past delivery experiences matter – so having contact details to communicate with these customers is important**	Customers who have previously contacted our contact centre are more likely to contact in the future. As they shop more online, though, they are less likely to contact us.	**48% more likely** Customers who contacted us in the past are 48% more likely to contact us again, and customers who contacted us multiple times in the past are more than twice as likely to contact us again	**53% lower** In households that average more than 10 purchases per month, the contact rate is 53% lower than those averaging less than one

Capture and share customer contact details with Australia Post up front

① Reset expectations if there are delays

Customers call when items are delayed. When we have contact details we can provide an updated EDD that resets customer expectations of an on-time delivery and reduces contacts by up to 76%.

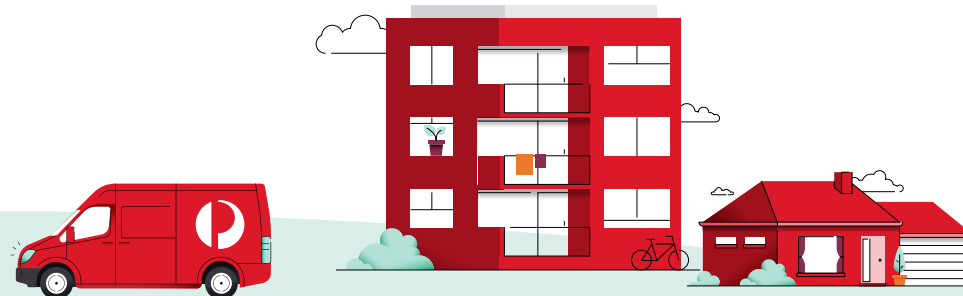An inaccurate EDD is 10 times worse than not providing one at all. For example, Express Post customers contact us within two days and Parcel Post customers within five days of a lapsed EDD.
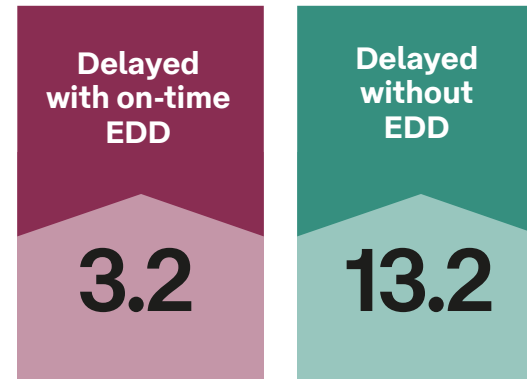
Minimise early delays

That said, almost a quarter of contacts are made before an EDD can be provided. Manifesting as close as possible to pickup/lodgement can significantly reduce this.

Suggestion

💬 Add the customer's mobile and email to manifests and share them with Australia Post so we can match more customers to more parcels and provide a better tracking experience (such as enabling automated tracking notifications, safe drop and redirect). This will also enable us to reset customer expectations in the event of a delay.

When an EDD is not provided, the contact rate increases[7]

Delayed with on-time EDD

3.2

Delayed without EDD

13.2

23%

of contacts are made before an EDD can be provided

Capture and share customer contact details with Australia Post up front

(2) Help us keep customers in the loop

Customer feedback suggests that once Australia Post has their parcel, they expect to receive updates from us. It's important to provide us with a customer's contact details so we can let them know their parcel is continuing to move towards the delivery destination.

Customers typically contact Australia Post within 2 days for an Express parcel and 4 days for a Parcel Post parcel. As time between notifications passes, they are more likely to make contact to find out where their parcel is.

COVID
During COVID, people were more understanding of delays and waited an extra day between notifications before making contact regarding Parcel Post deliveries. With Express Post, people waited two extra days before contacting us.

Suggestion
Give us contact details so we can update customers on progress.

Customer expectations around who should provide delivery updates[8]

	Merchant	Australia Post
Confirming that the order has been despatched	67%	33%
The parcel has been received by Australia Post	8%	92%
The estimated delivery date	15%	85%
A reminder sent on the day of the delivery	7%	93%
A notification that the delivery was unsuccessful and the parcel needs to be collected from the local Post Office	5%	95%

Most recipients expect to hear from Australia Post to provide updates on their deliveries.

As the time between updates increases, so does the likelihood of a contact[7]

Parcel Post			
Pre-COVID		**During COVID**	
Day between tracking updates	Contacts per 1000 deliveries	Day between tracking updates	Contacts per 1000 deliveries
0	0.3	0	0.5
1	0.1	1	0.9
2	1.0	2	0.8
3	1.2	3	1.0
4	1.8	4	1.3
5+	6.4	5	1.8
		6+	15.6

Express Post			
Pre-COVID		**During COVID**	
Day between tracking updates	Contacts per 1000 deliveries	Day between tracking updates	Contacts per 1000 deliveries
0	0.9	0	0.8
1	1.8	1	1.3
2+	4.3	2	1.8
		3	2.0
		4+	12.0

Capture and share customer contact details with Australia Post up front

③ Enhance tracking by going digital

The Australia Post App is critical to a positive digital experience – as it brings all of a customer's online purchases onto one app. This means one set of emails or SMS notifications, one place to manage deliveries (for instance, redirect to another location or request a safe drop), and one place to receive real-time, push notifications (that are more secure and less likely to be compromised by fraudsters).

Our data suggests that Australia Post App users (currently numbering 3.3m) are 20% less likely to contact us. This may be because they are more informed and updated on their delivery – visiting 'track' 3.6 times more often than web-only users.
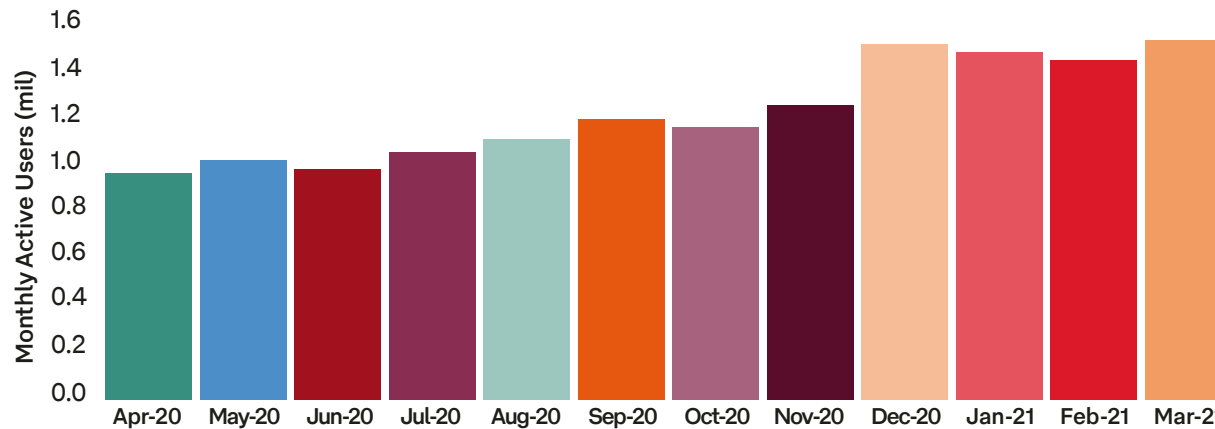
Match up to MyPost for a better experience

By giving us your customer's contact details, we can match parcels with receivers who have a registered MyPost account, to help set delivery expectations. Any customer can open a MyPost account online or on Australia Post's App.
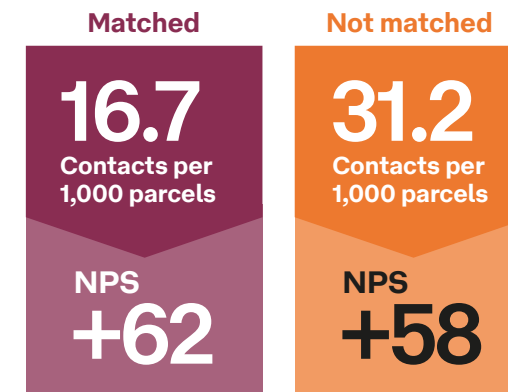
Amongst MyPost users, contact rates for matched parcels are roughly half that of unmatched parcels; and NPS improves by four points.

Matching customers reduces contacts by up to 70% and improves NPS by 9 points.

More customers are using the Australia Post App[9]

Monthly Active Users (mil) — bar chart: Apr-20, May-20, Jun-20, Jul-20, Aug-20, Sep-20, Oct-20, Nov-20, Dec-20, Jan-21, Feb-21, Mar-21

Suggestion
Use the correct sender name rather than including information such as "fulfilment centre" in the manifest data so customers know which parcel they are receiving.

When parcels are matched to receivers via the App, contact rates fall[7]

Matched	Not matched
16.7 Contacts per 1,000 parcels	**31.2** Contacts per 1,000 parcels
NPS **+62**	NPS **+58**

Inclusive of eParcel, Parcel Post & Express Post. Jan-July 2020. Excludes returns.
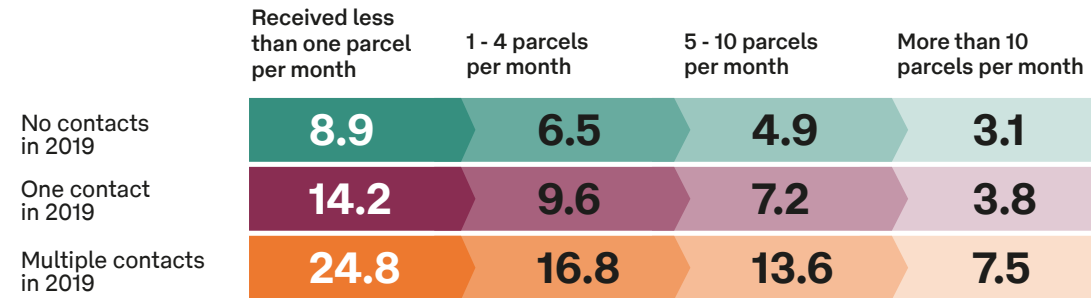
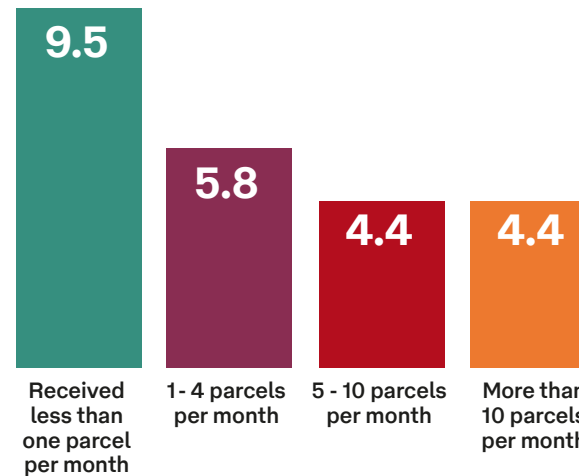# Capture and share customer contact details with Australia Post up front

④ Past delivery experiences matter

Customers who have contacted us multiple times in the past are more than twice as likely to contact us again. Also, customers are less likely to contact us as they transition from low to high frequency shoppers in households averaging more than 10 parcels per month.

Contact rate by previous delivery experiences (Jan - Sept 2020)[7]

	Received less than one parcel per month	1 - 4 parcels per month	5 - 10 parcels per month	More than 10 parcels per month
No contacts in 2019	8.9	6.5	4.9	3.1
One contact in 2019	14.2	9.6	7.2	3.8
Multiple contacts in 2019	24.8	16.8	13.6	7.5

Contact rate by shopper frequency[7]

Received less than one parcel per month	1 - 4 parcels per month	5 - 10 parcels per month	More than 10 parcels per month
9.5	5.8	4.4	4.4

Promote the Australia Post App to improve first time delivery and NPS

The Australia Post App can significantly improve the delivery experience – considerably more than when customers track parcels on our website.
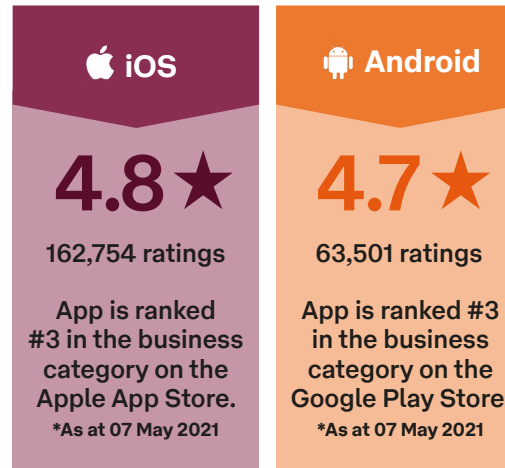
With three-quarters of visits to 'Track' on our website coming from mobile devices, encouraging customers to use the App rather than the website could have immediate benefits – for the customer, as it gives them more confidence and control; and for the retailer, as it leads to happier customers and fewer contacts.

The App is available on Android and iOS devices, including mobiles, tablets, Apple Watch and Android Smartwatch.

Key benefits of the Australia Post App

- Deliveries can be automatically added into the App – so customers don't have to find or remember their tracking number
- All deliveries are in the one convenient place
- Customers can receive secure push notifications in real time and can see the estimated delivery date
- If customers have parcels that are matched to them, they can:
  - Request to have eligible parcels left in a safe place if they're not home, and set this as their default preference
  - Redirect a parcel to a Post Office, Parcel Locker, PO Box or a different street address
  - Speed up the collection process by presenting a QR code at the Post Office.

App ratings (as at 31 Mar 2021)[10]

iOS
4.8 ★

162,754 ratings

App is ranked #3 in the business category on the Apple App Store.
*As at 07 May 2021

Android
4.7 ★

63,501 ratings

App is ranked #3 in the business category on the Google Play Store.
*As at 07 May 2021

Suggestion

Encourage customers to track and manage their deliveries using the Australia Post App. Consider providing a direct link to the App:

- When you send the delivery confirmation/tracking email
- On the confirmation screen at checkout
- Via an SMS
- On your website's FAQ or shipping page.

Compared to non-App users, those that use the App are:

Visiting "Track"
3.6 times more often

3.9 times as likely to have used a Parcel Locker

37% more likely to use a delivery choice (Safe Drop, Redirect, Collection Point)

For more information about promoting the Australia Post App, click here.

How Australia Post helps retailers give customers more visibility of parcel deliveries

Making parcels more visible

Retailers will see increased scanning at each point in the journey with an expected reduction in 'dark' periods (where no scans are being captured) – resulting in more notifications for receivers.

An enhanced digital experience

Australia Post works hard to keep improving the digital experience for both customers and retailers. Improvements this year include:

- Customers can choose their preferred channel for notifications (email, SMS or push notifications)
- Improved logic matches parcels to MyPost account (increasing notifiable parcels)
- Seamless self-service features in the Australia Post App, such as safe drop and raising contacts
- Improvements to tracking milestones, with clearer language, more precise parcel delivery timeframes and proactive support
- Active promotion of the Australia Post App, which is the highest-rated postal service app in the world offering visibility of deliveries and a better delivery experience
- Integration of merchant details (company name, branding, support details etc) into the track environment.

Benefits for retailers:

- Reduced calls/complaints
- Increased ability to self-serve, including help and support
- Customers can choose how to receive notifications
- Reduced likelihood for SMS Phishing
- Parcels automatically matched.

What retailers can do to help provide their customers with more visibility of their deliveries

Provide Australia Post with customers' mobile and email details to enable:

- Australia post to set expectations on EDD
- Tracking and notifications
- Matching of customers to their deliveries to provide better notification and digital experience (such as automated tracking notifications, safe drop and redirects).

Manifest as close to lodgement as possible so the early notification isn't delayed.

Use the correct sender name rather than including information such as "fulfilment centre" in the manifest data so customers know which parcel they are receiving.

Our Delivery Experience Toolkit has more information on notifications and tracking.

Improve address accuracy and label quality

Summary

Reduce delays by improving address accuracy and label quality

In a survey of over 2,000 people who received a domestic parcel in the month of February 2021, 'having the correct delivery address' topped the list of the most important aspects of delivery, with 91% of respondents saying it was important to them. Promisingly, 75% said they were currently satisfied with this aspect of the delivery experience, which suggests the majority of retailers are getting it right.[4]

When it comes to labels, if they are hard to scan, it can lead to tracking difficulties and potential delivery delays. And while it doesn't happen often, 1% of parcel deliveries are delayed when the parcel sorting machines fail to accurately read the labels on parcels — leading to a four-point decline in NPS and up to 40% more contacts on these parcels.[3]

suggestion

Consider API integration for address validation and collection point choices to keep customers in your checkout (compared to widgets that take customers out of your checkout experience).

Tips to help get deliveries to customers faster

Validate addresses at checkout

Use full address validation (not just postcode validation) to improve address accuracy and the user experience at checkout.

Present your freight correctly

Sort parcels carefully. For example, separate Express Post from Standard Parcel Post or metro from interstate.

Make sure your staff know about packaging size limits, as this can save a lot of time — and cost — when things get busy.

Print labels clearly

Print labels on matte white paper with black ink, making sure the barcode and address are clear and visible.

Make sure your label is flat and free from damage or wrinkles.

Place it on the largest, flattest surface of your parcel or satchel — not wrapped around any edges or positioned over a flap or seam.

Include a Smart Barcode with a Delivery Point Identifier (DPID).

Check the label is not covered by strapping or tape.

Avoid shiny plastic, such as plastic sleeves or letter windows. Reflective materials are harder to scan.

Checking your printer heads regularly can help ensure good quality prints.

Improve address accuracy and label quality

A look at address accuracy

While it doesn't happen often, getting the address wrong will delay delivery. Around 7% of manifested parcels come through without a valid delivery point ID (DPID).

Parcels without a valid DPID will spend about one business day longer in our network, negatively impacting the customer experience and causing the NPS to drop by around two points.

Suggestion
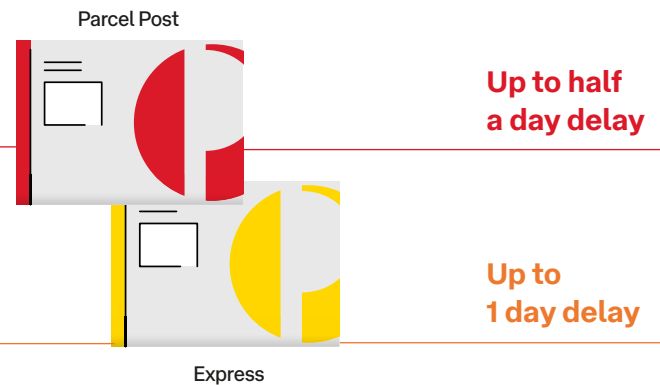Use the latest address validation tools at checkout.

Getting the address right helps with faster delivery[3]

A parcel with a valid delivery address = ↑**2** better NPS & **1 day** less in the network

NPS to valid address v invalid address by speed option

Delivery delay due to invalid address

Parcel Post

| Valid address NPS **+70** | Invalid address NPS **+68** |

Up to half a day delay

| Valid address NPS **+70** | Invalid address NPS **+65** |

Up to 1 day delay

Express

How Australia Post helps reduce network delays

Continuously improving our network and infrastructure

Our future network is lean by design, with four key areas of investment:

Processing

Adding additional capacity to manage growing volumes, and consolidating across Australia Post and StarTrack in some cases to enable network interoperability.

Last Mile

Upgrading our infrastructure to manage growing volumes and reduce pressure points in the supply chain.

Delivery Fleet

Investing in trucks to manage growing volumes and associated linehaul movements.

Merchant Success Measure

Our aim is to ensure our supply chain and our customers' operate as effectively as possible, by helping parcels move more efficiently through our network – reducing re-work and customer anxiety. To do this, our Merchant Success Measure looks at a number of key metrics (such as on time delivery %, late manifesting %, etc.) that we use to work with our customers collaboratively to ensure processes and compliance are consistent, customer friendly, and measurable.

Artificial Intelligence

We use artificial intelligence to monitor our network, predict volumes for resource and capacity planning, and predict potential 'hotspots' in the network to prevent delays caused by demand spikes.

What retailers can do to help get deliveries through the network faster

✓ Consider API integration for address validation and collection point choices to keep customers in your checkout (compared to widgets that take customers out of your checkout experience).

Use the latest address validation tools at checkout.

Our Delivery Experience Toolkit has more information on real-time address validation.

Use the 'best-fit' packaging

Summary

First impressions count

With eCommerce now making up 16.3% of retail spend[1] – and the upward trend looking set to continue – your packaging could make an important first 'physical' impression.

> **'Best-fit' packaging considers the complete picture. In other words, it's the best packaging to protect items from damage, it goes through the network easily, it meets your customers' expectations for sustainable packaging, and can help to deliver a great first impression.**

Consider environmentally sustainable packaging

Consumer research shows that half of online shoppers would choose to buy products from businesses that take action to reduce their impact on the environment.[11] IPC data backs this up, with 68% of cross-border shoppers wanting recyclable and 63% wanting reusable packaging.[6]

Businesses are becoming more conscious of the environmental impact of their packaging. 31% of Small to Medium Enterprises (SMEs) have adopted sustainable packaging practices – and over 1,500 members have signed up to the Australian Packaging Covenant Organisation (APCO), committing to achieve Australia's packaging targets by 2025.[11]

In 2019, Australia Post commissioned independent research that found plastic satchels made from recycled plastic content are the most environmentally friendly packaging option.[12]

We're not suggesting all items be sent in plastic satchels – for some items, boxes may be a more sturdy option and can be easier to scan.

Right-size to avoid wastage or damage

Overpackaging is not only problematic from a waste perspective, it can also make the parcel larger and heavier to send, which can increase carbon emissions. What's more, consumers are becoming more aware of packaging waste and are driving change, too.[13]

That said, it's important to pack carefully – it's worthwhile using environmentally sustainable wrapping and padding to help prevent damage. While damage is rare (0.02%), when it does occur, our data shows a significant impact on NPS and contacts.[14]

> **Suggestion**
>
> APCO provides a framework and resources to increase packaging sustainability along the entire supply chain. By signing the Australian Packaging Covenant, your business is declaring its commitment to work collaboratively to achieve common goals. Learn more here.

Use the 'best-fit' packaging

Protecting your goods

While it rarely happens, damaged items have a significant impact on NPS and contacts.

Understandably, categories more likely to send items – such as Food & Liquor and Home & Garden – are most susceptible to damage and create negative experiences (in both NPS and contacts). If damage occurs in categories such as Fashion, where damage to the parcel may not impact usability of the product, there is less of an impact on NPS or contacts.
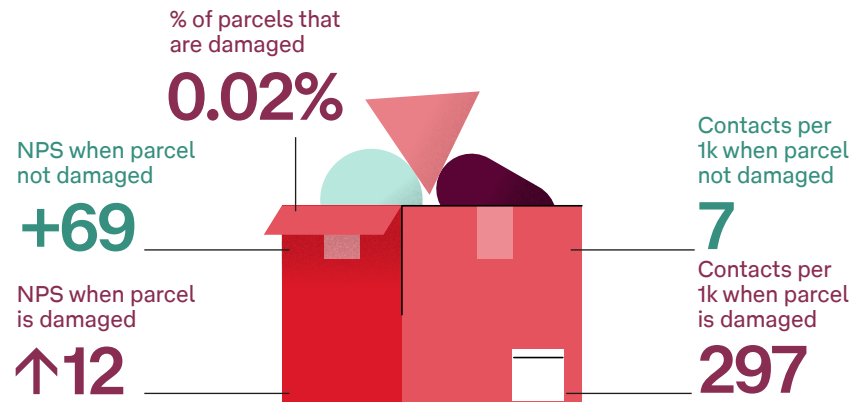
> **Suggestion**
>
> Separate small and large parcels, to make sure they go to the right facility with a machine suited to its size.

Impact of damage on NPS and contacts per category (1 Apr 2018 – 31 Mar 2021*)[14]

Category	NPS		Contact rate – damaged	Damage rate
Food & Liquor	+66 Not damaged	-46 Damaged	94%	0.08%
Health & Beauty	+71 Not damaged	+/-0 Damaged	22%	0.02%
Home & Garden	+69 Not damaged	+8 Damaged	19%	0.03%
Media	+73 Not damaged	+31 Damaged	12%	0.03%
Fashion	+71 Not damaged	+31 Damaged	7%	0.01%

Across all categories

% of parcels that are damaged

0.02%

NPS when parcel not damaged

+69

NPS when parcel is damaged

↑12

Contacts per 1k when parcel not damaged

7

Contacts per 1k when parcel is damaged

297

*Data from 1st April 2018 to 31st March 2021

How Australia Post helps with packaging

Australia Post has done the research on sustainable packaging for you. We carefully select packaging that is best suited for the job and the environment, informed by independence research.

Customised sustainable packaging options

We offer a range of customisable products, including:

• BrandWrapped satchels made from 80% recycled plastic

• Customisable recycled boxes

• Customisable tough bags, padded bags, and recycled padded bags.

Put your business on the path to sustainability

Our whitepaper Small business sustainability in a COVID world – developed by Australia Post in collaboration with the Banksia Foundation – gives small and medium businesses access to information about how to be more sustainable and resilient now and into the future.

Australia Post's commitment to sustainability

We know our operations have a global impact. Our approach to sustainability is underpinned by the UN Sustainable Development Goals (SDGs), and is outlined in our 2020-2022 Group Corporate Responsibility Plan.

All of our paper and cardboard packaging and parcel boxes are FSC certified. Also, the majority of our plastic satchel range is made with 80% recycled plastic content. These satchels are "best on market" and based on an independent, full life cycle assessment (LCA) that shows it's the best product for the environment.

Our packaging is fully recyclable – cardboard via kerbside and plastic satchels through our partnership with REDcycle, available at over 1,800 supermarkets around the country.

What retailers can do to improve packaging

APCO provides a framework and resources to increase packaging sustainability along the entire supply chain – from design to distribution, retail and recovery. By signing the Australian Packaging Covenant, your business is declaring its commitment to work collaboratively to achieve common goals. Learn more here.

Separate small and large parcels to make sure they go to the right facility with a machine suited to its size.

Stock up on suitable packaging

To avoid product damage and reduce risk of delivery delays, use these tips:

Boxes are a sturdy option, and their flat surfaces make labelling and scanning easy.

Try a 'box in box' method. Wrap individual items and use an environmentally friendly filler between boxes.

If using cylinder poster rolls, consider putting them in rectangular boxes to help avoid them rolling around.

Don't overfill satchels and place your label in the middle of the satchel on a flat surface.

Avoid glossy or slippery packaging – parcels can slip off conveyor belts and sorting machines can find shiny or dark packaging harder to read.

Ensure your packaging is suitable for the shape and size of the item you're sending.

Methodology

This report is based on the analysis of parcels data recorded by the Australia Post Group, linked to a multitude of other datasets to record receivers' expectations and experience, International Postal Corporation (IPC) Annual Report 2020, as well as ongoing, structured consumer research. Commentary in this report relating to delivery experience is based on an extrapolation of these datasets.

The data and insights in this publication relate to parcels received between 1st April 2019 to 31st March 2021, unless otherwise stated. Pre-COVID time period is defined as 1st April 2019 to 31st March 2020, During COVID period is defined as 1st April 2020 to 31st March 2021.

Households are defined as residential or mixed use Australia Post delivery points, separated into Apartments & Houses. Apartments relate to residential or mixed use apartment blocks but may also relate to high-rise apartments, townhouses, villa units, retirement villages, and/or caravan parks, wherever secondary delivery points exist and are aggregated to primary delivery points.

When we mention contacts throughout the report, we are referring to cases raised in our contact centre to investigate a parcel. General enquiries and contacts not linked to a parcel are excluded.

NPS (Net Promoter Score) refers to the Delivery NPS survey sent to receivers following an Australia Post parcel delivery with a valid email address, we only survey receivers once every 90 days.

Collection points refer to Australia Post PO Boxes, Parcel Lockers and Parcel Collect delivery options.

New online shoppers are defined as residential households that did not receive an eCommerce parcel in the past 12 months. While frequent shoppers are residential households that received 24 or more Australia Post deliveries in the past 12 months.

Specialty retailers are segmented into product categories: Fashion & Apparel, Variety Stores, Health & Beauty, Home & Garden, Hobbies & Recreational Goods, Media, and Food & Liquor.

Note: All numbers shown in this report are rounded after the calculations are performed.

References

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2. Australia Post, 2020 Australia Post Annual Report
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4. Parcel Receiver Survey Feb 2021 n= 2,028
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6. International Postal Corporation (IPC), Annual Report, 2020
7. Parcel Contact Driver Analysis; Meaningful Service Experience (MSE), 1st Jan 2020 to 31st Jul 2020 unless otherwise specified
8. 2016 Parcel delivery window notification survey result (Base: Received parcels in the last 3 months or expect to receive a parcel in the next month, n=1,073.)
9. Australia Post, MyPost Active Monthly Users report – March 2021
10. Publicly available information
11. Small business sustainability in a COVID-19 world, Australia Post, September 2020
12. Australia Post Packaging Life Cycle Assessment by Selerant, published November 2020, available at:

https://auspost.com.au/content/dam/auspostcorp/media/documents/packaging-life-cycle-assessment.pdf

13. McKinsey & Company, The drive toward sustainability in packaging – beyond the quick wins, 2020
14. Australia Post, Zoltar Data Asset; damage analysis – March 2021

* PO Box Plus is available at participating Post Offices. Cannot be used for third party items requiring photo ID and/or personal signature of addressee, or for articles delivered outside of Post Office opening hours. Fees and charges may apply to carriers other than Australia Post and StarTrack to deliver parcels to PO Box services. Carriers may pass this cost on to customers. Size and weight limits apply. Limit of 50 third party articles per PO Box billing year. PO Box Plus service is for non-business use only. An additional fee of $3 will apply for each additional third party article received within the PO Box billing year once the included allowance of 50 has been reached. T&Cs and restrictions apply. See auspost.com.au/POBox

^ Terms and conditions apply. You have 48 hours to collect your parcel once it has arrived at a Parcel Locker. Please refer to the full terms and conditions at auspost.com.au/parcellockers for further details.

° Terms and conditions apply. Collection time limits apply. Items must be lodged with Australia Post to be delivered to a participating Post Office. Trading hours may vary. You have 10 business days to collect your parcel once it has arrived at a Parcel Collect (Post Office) location. Post Offices will accept parcels up to 22kg and not greater than 105cm in one dimension. Letters and standard mail that can be delivered to your letterbox, including Express Post letters, will not be accepted. Please refer to the full terms and conditions for further details.

About this report

Reduce signature on delivery and offer more collection points

Provide delivery information from checkout to delivery

Capture and share customer contact details with Australia Post up front

Improve address accuracy and label quality

Use 'best fit' packaging

Methodology and References

About Australia Post

We are making it easier for you to connect with your customers, and find new ones both here and overseas. Through our suite of eCommerce driven logistics, supply chain and parcel delivery solutions, we can help you to provide seamless online shopping experiences, from checkout to delivery.

If you have any questions about this report or you would like to know more, please contact your Australia Post account manager.

If you don't have an account manager, please request a call back.

Australia Post acknowledges the Traditional Custodians of the land on which we operate, live and gather as employees, and recognises their continuing connection to land, water and community. **We pay respect to Elders past, present and emerging.**

Australia Post