DESCARTES

How Smarter Home Delivery Wins Younger Consumers as Online Buying Slows

Descartes 4th Annual Ecommerce and Home Delivery Consumer Sentiment Study

Introduction

With ecommerce growth slowing after a frenetic few years, profitable customer retention is becoming ever more important. Yet with every generation demonstrating different home delivery expectations and behaviors, there is no one-size-fits-all approach. For the fourth year in a row, Descartes, in combination with SAPIO Research, surveyed 8,000 consumers in North America and Europe to gain a comprehensive view of the state of ecommerce and home delivery performance. The results of the study highlight the maturity of the online purchasing market and underline the growing dissatisfaction with home delivery among, in particular, consumers aged 18–35 ("under 35s").

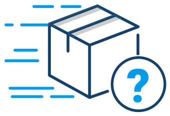
While home delivery performance by retailers and delivery companies (e.g., carriers, couriers and logistics services providers) has improved slightly over the years, levels of consumer dissatisfaction remain high for the younger demographic—who are also currently the biggest contributor to online growth. Under 35s also offer the greatest lifetime customer value to retailers, which makes it critical to understand the different buying and delivery experiences and personas within this demographic. In addition, under 35s have a reputation for high ecommerce and delivery expectations and low tolerance for mistakes. From cost to reliability, sustainability to security, failure to address the needs of this sophisticated online buying cohort may compromise retailers' long-term profitability. Are retailers ready to take action and provide the quality of delivery-to-home experience expected by the buyer of the future, today?

Top Level Findings

Below are high-level, at-a-glance takeaways from the research

Under 35s are driving online growth—**43%** of under 35s increased their spend year on year, compared to **32%** of over 65s.

Only **11%** of under 35s are always satisfied with the online delivery experience, compared to **22%** of over 65s.



Overall, **66%** of consumers experienced delivery issues within the last three months—rising to **79%** of under 35s.

20% of under 35s gave up returning goods, compared to just **6%** of over 65s.

Source: Descartes / SAPIO Research

Under 35s offer the greatest lifetime customer value to retailers, which makes it critical to understand the different buying and delivery experiences and personas within this demographic.

Finding opportunity amid slower ecommerce growth

Online purchasing growth is slowing. In the U.S., sales are projected to grow by 6% annually and, in the EU and U.K., by 6.2% annually, far below the 18–20% growth seen during the pandemic. At the same time, retailers face growing macroeconomic challenges. Inflation has eased, but tariffs and trade barriers, geopolitical unrest, and supply chain disruptions are affecting retail confidence and operating practices.

In the U.K., for example, recent tax and minimum wage increases are compelling retailers and delivery companies to take drastic action, with the British Retail Consortium predicting one in ten part-time retail jobs are at risk to cost cutting measures. Across the U.S., the logistics sector has also experienced significant cost rises over the past few years, linked to wage rises, fuel and utilities. Add in the continuing challenge of recruiting and retaining drivers and the decarbonization of delivery fleets, both the quality and cost of the delivery experience are even more in the spotlight.

With higher customer acquisition costs associated with slowing ecommerce growth, companies cannot afford to lose consumers and suffer reputational damage due to bad delivery experiences or endure profit erosion associated with repeat deliveries, damaged products or returns. Truly efficient delivery provides both the choice of delivery options consumers now expect and the reliability demanded by increasingly sophisticated buyers. For an ecommerce industry under financial pressure, it is vital to leverage intelligence to help improve the quality of the consumer delivery experience and, moreover, to ensure it matches the specific delivery personas of consumer groups while also realizing the opportunity to reduce costs.

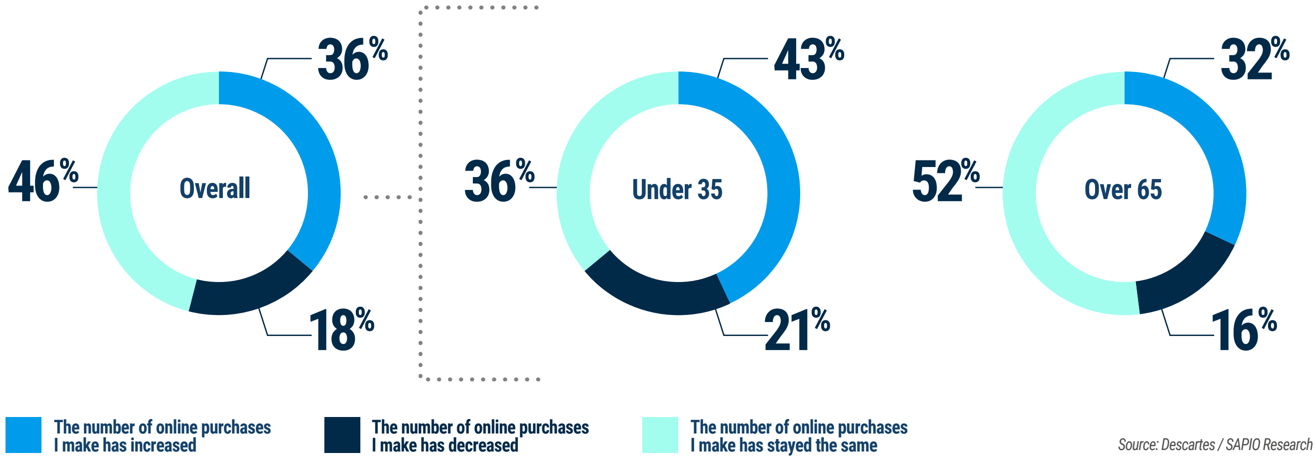
Consumers aged 18–35 are the demographic that has increased online spending

After the high double-digit pace of growth inspired by pandemic lockdowns and the wholesale shift to working from home, retailers are now in a phase of slower growth. Survey findings underscore the rate of growth is declining and notably: overall, **18%** of survey respondents cut back on purchases over the last 12 months compared to the prior year and, while **36%** made more purchases, it's status quo for almost half **(46%)** who made the same number of online purchases as last year. Comparing these results to previous years confirms the consistent year on year decrease in the number of consumers buying more online, and an increase in those whose behavior is staying the same.

It's the younger demographic, however, that is driving the majority of growth in online sales. Over **43%** of under 35s increased their spending year on year, compared with only **32%** of over 65s (see Figure 1). In addition, for just **36%** of under 35s, the number of online purchases made stayed the same this year versus last, compared to **52%** of over 65s.

Figure 1: Changes in online purchasing behavior

Which of the following statements best describes how your online purchasing behavior has changed in the last year?

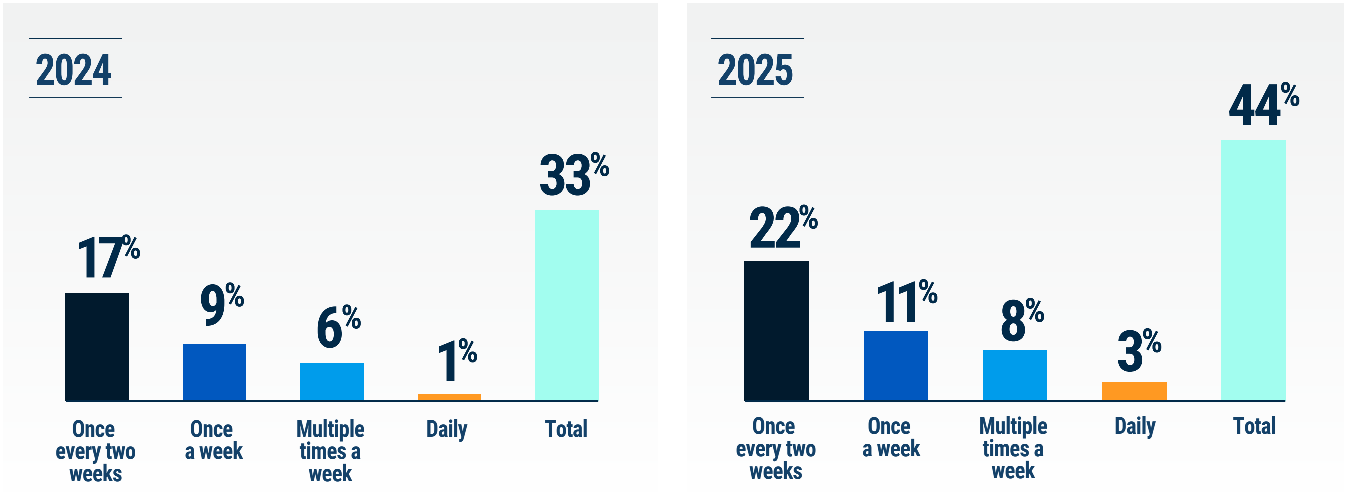


Source: Descartes / SAPIO Research

> *After the high double-digit pace of growth inspired by pandemic lockdowns and the wholesale shift to working from home, retailers are now in a phase of slower growth.*

In evaluating changes in online purchasing frequency, overall, **42%** of consumers made online purchases at least every two weeks compared with **32%** last year. For consumers under 35 specifically, **44%** made online purchases at least every two weeks this year—a significant jump over last year's **33%** (see Figure 2).

Figure 2: Changes in frequency of online purchasing | **How often were you making online purchases on average?**



Source: Descartes / SAPIO Research

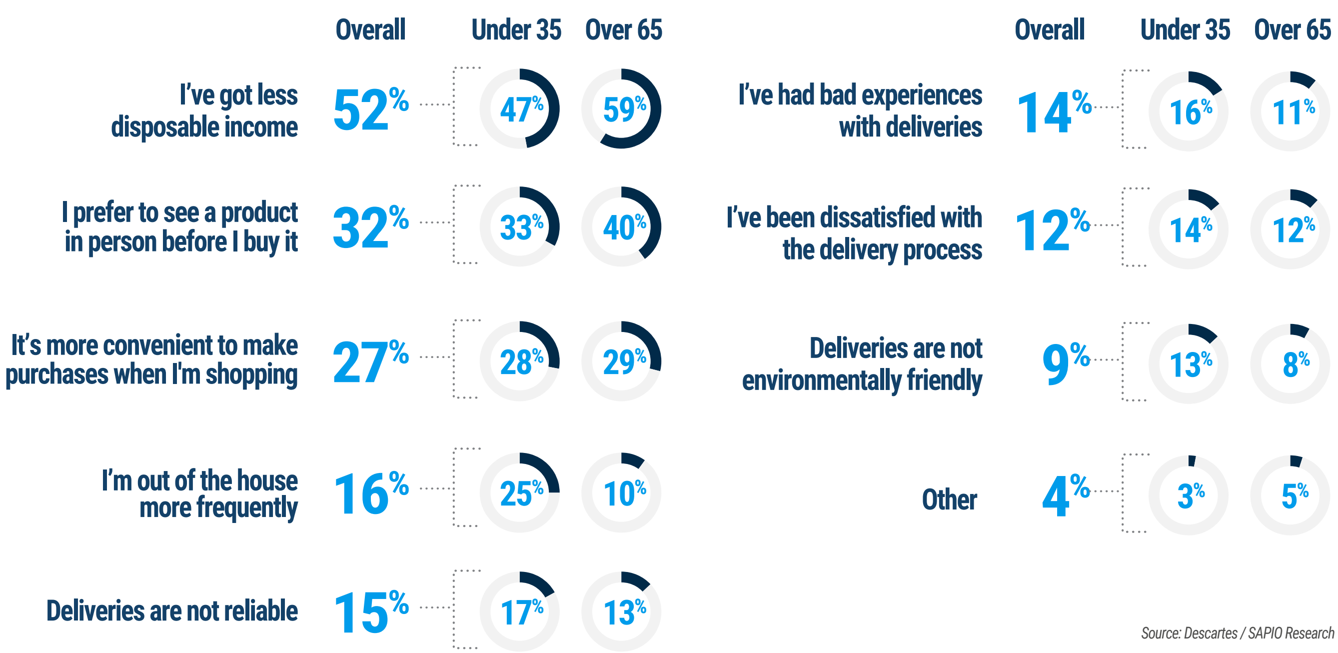
*For consumers under 35 specifically, **44%** made online purchases at least every two weeks this year.*

Convenience **(54%)** is the main reason cited overall for receiving more online purchases via delivery, followed by an easier online order process **(51%)**. Consumers also value the fact that they don't have to go out of their way to pick things up **(47%)**. Over a third **(34%)** are also enjoying the breadth of categories now offered, enabling them to make more purchases online than they previously realized.

In contrast, the biggest deterrent overall to making more online purchases in the future is less disposable income **(52%)**—and this issue is more acute for over 65s **(59%)** compared to under 35s **(47%)**. Consumers also prefer to see a product in person before making a purchase **(32%)** with this figure edging up only slightly for under 35s at **33%** but jumping higher for over 65s at **40%**. Unsurprisingly, given the reduction in working from home, **25%** of under 35s also say they are now out of the house more frequently, compared to just **10%** of over 65s.

A key concern for retailers, however, should be the fact that a significant **41%** of total respondents mentioned at least one negative delivery factor as a reason for not buying again. For under 35s, the number jumps to **47%** compared to **36%** for over 65s. Problems include a lack of reliability, bad experience with deliveries and dissatisfaction with the delivery process. When also considering deliveries not being environmentally friendly as a barrier to future purchases, the picture is even more grim: **60%** of under 35s would not buy again, compared to **44%** of under 65s and **50%** overall (see Figure 3).

Figure 3: Barriers to more online purchasing | **What will put you off making more online purchases in the future?**



Source: Descartes / SAPIO Research

Mediocre delivery performance and inconsistent delivery experiences are, however, problems that retailers and their delivery partners can address. To minimize the risk of poor delivery as a deterrent to online purchasing, they need to elevate the quality of the home delivery experience.

Poor delivery experiences for younger consumers risk their potential lifetime customer value

The bottom-line impact of negative delivery experiences is a pressing concern. This is a maturing marketplace with the pace of growth steadying since the hyper growth experienced during the pandemic, yet the proportion of purchases made online for home delivery is still expected to reach **48%** next year, underlining the evolution in consumer behavior. Online is now a core aspect of retail sales, especially for under 35s whose online orders **(51%)** are expected to outstrip any other demographic next year.

Yet when two in three consumers **(66%)** overall experienced a delivery problem in the three month period surveyed, alarm bells should be sounding. Compared to findings in the previous three surveys, what's discouraging is the lack of significant progress made in this area by retailers and their delivery partners with **67%** (2024), **69%** (2023) and **66%** (2022) of total respondents reporting experiencing delivery issues.

Alarm bells should be ringing even louder at the staggering **79%** of under 35 consumers—or almost four in five—who reported issues with home delivery this year, compared to **53%** of those over 65. Notably, for each delivery problem detailed in the survey, under 35 consumers reported a higher percentage of negative experiences than overall respondents (see Figure 4). Conversely, over 65s reported a lower percentage of negative experiences than all respondents. Not only is the younger demographic the cohort driving growth in online purchasing, it also appears to be the group with the highest expectations for positive delivery experiences.

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Figure 4: Issues with home deliveries

Have you had any of the following experiences with a delivery in the last 3 months?

	Overall	Under 35	Over 65
Arrived much later than expected	22%	26%	19%
Delivery came at a different time than was expected	20%	25%	16%
Delivery time offered was longer than I was happy with	17%	23%	12%
Package was left in an unsecure location	17%	19%	14%
Package was damaged	16%	22%	10%
Product out of stock when ordered	14%	17%	10%
Delivery didn't arrive at all	12%	15%	10%
Difficulties contacting customer services over a problem	11%	17%	6%
Driver couldn't find my location and didn't make delivery as expected	11%	15%	7%
Delivery was incorrect	9%	12%	6%
Delivery slots offered lacked flexibility	8%	13%	3%
Neither the retailer nor the delivery company took responsibility for delivery quality	6%	9%	3%
Had to pay a hidden fee on delivery to take my purchase	6%	11%	1%
Other	1%	1%	1%
None of the above	34%	21%	47%

Source: Descartes / SAPIO Research

Notably, for each delivery problem detailed in the survey, under 35 consumers reported a higher percentage of negative experiences than overall respondents.

The top two delivery issues cited by under 35s were late arrival (**26%** compared to **19%** for over 65s and **22%** overall) and delivery arriving at a different time than expected (**25%** compared to **16%** for over 65s and **20%** overall), while **15%** (**10%** for over 65s, **12%** overall) indicated the item never arrived at all. Other problems included drivers leaving the package in an unsecured location (**19%** compared to **14%** for over 65s and **17%** overall) and product damage (**22%** compared to **10%** for under 65s and **16%** overall).

In addition to concerns related to delivery timeliness and quality, **23%** of under 35s indicated the delivery time offered was longer than acceptable, compared to **12%** of over 65s and **17%** overall. Furthermore, **13%** of under 35s (**3%** for over 65s, **8%** overall) signaled the delivery slots offered lacked flexibility and **17%** (**10%** for over 65s, **14%** overall) said the product was out of stock when ordered.

Given the tight margins under which most retailers operate, delivery issues can quickly eradicate profitability. First time delivery is a key target and a mistimed delivery—early or late—will either require a profit-eroding second attempt or potentially even leaving the item in an unsecured location, risking porch piracy and customer ire. Product damage will also increase the number of returns, a process that incurs significant additional costs, often leading to products being scrapped rather than repatriated into the supply chain.

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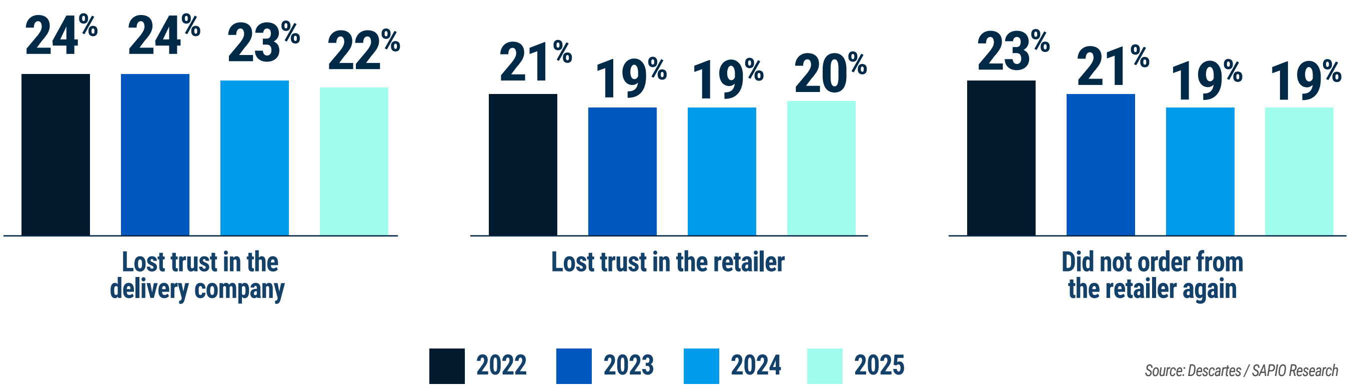
Younger consumers are much more likely to act in the face of delivery problems

Year on year, Descartes has reported consumers actively turning away from both retailers and delivery companies after poor delivery experiences. Over four years little has improved. This year, negative delivery experiences had a direct impact on the perception and future behavior of two thirds **(66%)** of all consumers surveyed—a sizable proportion. The top three negative outcomes stemming from delivery problems are cited consistently in the 2022, 2023, 2024 surveys, as well as in 2025: lost trust in delivery company, lost trust in retailer, and did not order from the retailer again (see Figure 5).

Figure 5: Top 3 results of poor delivery experiences (2022-2025) | **What, if anything, resulted from the issue?**



Source: Descartes / SAPIO Research

According to this year's survey and previous ones, consumers are actively turning away from both retailers and delivery companies after poor delivery experiences.

Word-of-mouth outcomes further exacerbate the matter. Add in the ripple effect when negative experiences are shared both by telling friends and family to avoid the delivery company (**16%** overall, increasing to **21%** for under 35s and decreasing to **10%** over 65s) and the retailer (**15%** overall, rising to **20%** for under 35s and falling to **7%** over 65s) and by posting the dissatisfaction on social media (**12%** overall, **15%** for under 35s and **6%** over 65s), and the ramifications of a single delivery error can be much more widely felt (see Figure 6).

Figure 6: Impact of negative delivery experiences compounds when shared | **What, if anything, resulted from these issues?**

Source: Descartes / SAPIO Research

Even more concerning for retailers—and delivery companies—is that valuable younger generations are more affected by delivery problems. While just over half **(53%)** of over 65s experienced issues during the three month period surveyed, these problems affected **79%** or almost four fifths of those under 35. Furthermore, this generation is even more likely to act in response: **79%** of under 35s responded in some way compared to just **45%** of over 65s—and a significant **21%** of under 35s indicated they reduced overall online spend as a result.

The reasons are diverse. Digitally-native younger generations have higher expectations of online retailers. This generation is also under pressure to return to the office, meaning they are less likely to be at home to receive late or mistimed deliveries. Further, they are also more likely to be in urban environments, often in shared accommodation, and therefore exposed to additional security risks associated with parcels left on doorsteps or in unsecured common spaces.

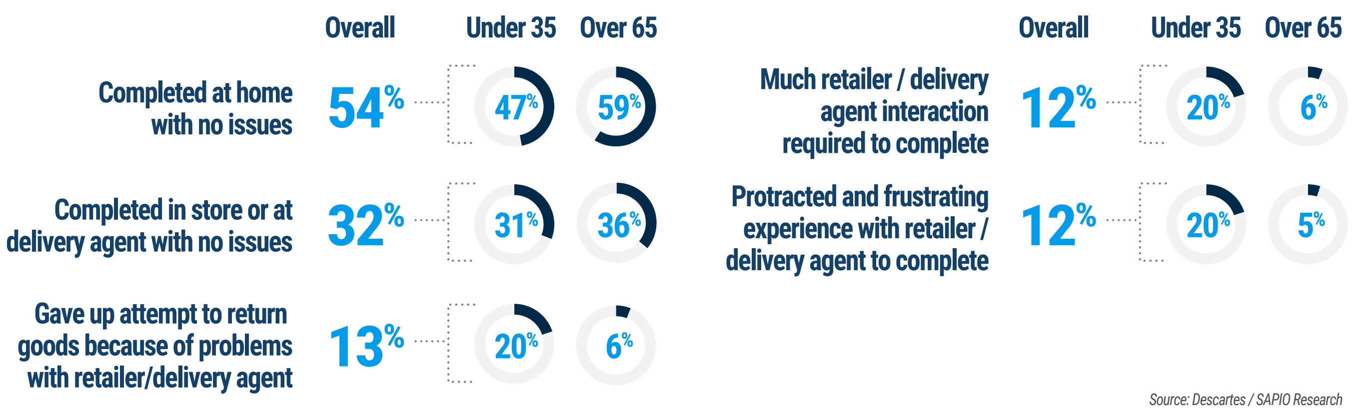
While customer dissatisfaction/loss is never ideal, it may have been easier for retailers to overlook the negative consequences of delivery problems when online purchasing grew by almost **20%** year on year. Those days have gone. With growth slowing, the financial impact of customer dissatisfaction/loss is becoming ever more significant.

*Younger generations are more affected by delivery problems. **79%** or almost four fifths of those under 35 experienced issues during the three month survey period.*

Challenging returns processes frustrate consumers across all demographics

While retailers are pushing back on serial returners, when **66%** of online consumers have experienced a delivery issue that could have necessitated a return, such as damage or the product arriving too late, difficult returns processes are further undermining perception, confidence, and chances of repeat purchases. This year's research reveals that, overall, almost double the number of consumers gave up returning goods because of problems with the retailer/delivery agent **(13%)** (see figure 7) compared to last year **(7%)**. This issue, however, is particularly affecting younger generations with **20%** of under 35s giving up returning goods, compared to just **6%** of over 65s.

Figure 7: Consumer experience with returns | **How were online return services?**



Source: Descartes / SAPIO Research

In addition, **12%** of total respondents indicated the returns process requires too much retailer/delivery agent interaction to complete (**13%** in 2024) and **12%** also say the process is protracted and frustrating (up from **8%** in 2024). Only **54%** were able to complete the returns process at home with no issues—down from **60%** last year. Under 35s struggled even more with returns processes: only **47%** were able to complete the process at home with no issues compared to **59%** of over 65s, suggesting that retailers and their delivery partners have significant work to do to simplify the returns experience for online consumers across all demographics.

When disposable income is under significant pressure, purchasing decisions are increasingly scrutinized and consumers may be deterred from future online spending if the returns process is too complex. Worse still, any who felt compelled to give up on making a return will be extremely unlikely to return to that retailer in the future. While findings indicated that **13%** of overall respondents actually hit this wall, the number for under 35s jumped to a significant **20%** compared to **6%** for over 65s.

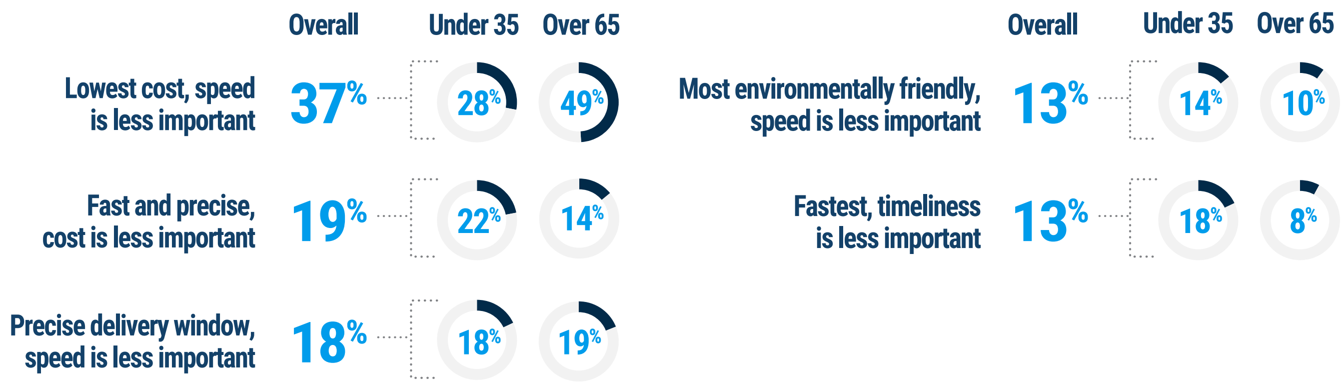
Difficult returns processes are further undermining perception, confidence, and chances of repeat purchases.

Tapping into the under 35 delivery persona offers retailers significant potential

Not all consumers have the same expectations when it comes to home delivery. Consumers have different delivery personas that involve a combination of cost, delivery speed, precision, value-added services and information about delivery options (e.g., most environmentally friendly). Understanding delivery personas—which can also vary by what products are delivered—helps retailers create different delivery experiences for customers to choose from based on their preferences.

Building on the trends seen in this research over the past three years, more cost-conscious consumers are no longer prioritizing the speed of delivery. For consumers under 35, **60%** indicate speed is less important and instead prioritize lowest cost **(28%)**, a precise delivery window **(18%)** or the most environmentally-friendly **(14%)** option (see Figure 8). Still, **22%** are looking for fast and precise deliveries, irrespective of cost, and **18%** prefer the fastest delivery possible, with timeliness/convenience being less important.

Figure 8: Consumer delivery preferences | **What best describes your delivery preference?**



Source: Descartes / SAPIO Research

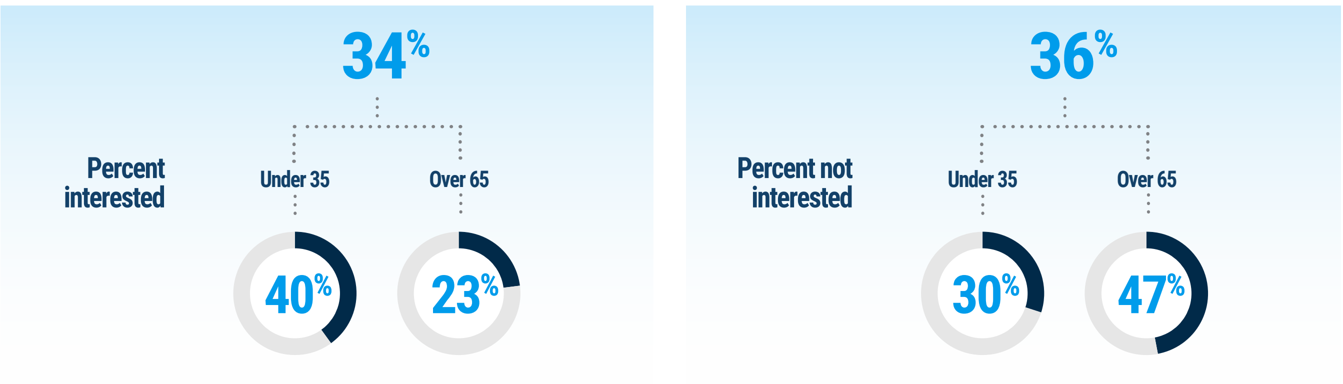
The delivery preferences of consumers over 65 are more pronounced. For this contingent, a whopping **78%** say speed is less important. Compared to under 35s, a similar proportion **(19%)** prioritize lowest cost or the most environmentally-friendly **(10%)** delivery option; however, just **14%** of over 65s want fast and precise deliveries regardless of cost and even less **(8%)** seek the fastest delivery at the expense of timeliness/convenience.

Understanding delivery personas—which can also vary by what products are delivered—helps retailers create different delivery experiences for customers to choose from based on their preferences.

Another significant difference between these two cohorts lies in environmentally-friendly deliveries and companies' commitment to sustainability. While only **9%** of all consumers consider a lack of environmentally-friendly deliveries as a barrier to future online purchases, under 35s remain committed to sustainable options: two fifths **(40%)** of under 35s indicated interest in receiving an environmentally-friendly delivery option, compared to just **23%** of over 65s (see Figure 9).

Figure 9: Interest in sustainable delivery option

How interested would you be in the most environmentally friendly delivery option?



Source: Descartes / SAPIO Research

Again, astute retailers understand that consumer delivery expectations are nuanced. They vary not only by demographic but also across product categories, and those retailers who can identify the different delivery personas in their mix will be best placed to tailor and offer delivery options that meet the specific needs of different consumer groups.

*Under 35s remain committed to sustainable options: two fifths **(40%)** of under 35s indicated interest in receiving an environmentally friendly delivery option, compared to just **23%** of over 65s.*

Retailers have room to elevate delivery performance for all consumers

Tailored delivery services are only one part of the equation. As this research confirms, problems with delivery in general remain widespread. It is also vital to ensure that the delivery options are achievable. A consumer offered a precise delivery window not only expects the delivery to arrive within that timeframe but also to be kept informed throughout the delivery process with relevant and timely notifications.

Real-time insight into existing commitments and capacity is fundamental to making intelligent delivery pledges that can be achieved by the delivery network. Combining up-to-date demand insight with route optimization to enhance delivery scheduling can transform the quality of the delivery experience for all consumers. In addition to ensuring delivery performance matches delivery offers, route optimization also allows retailers and delivery companies to align consumer demands with operational goals—from reducing delivery costs to cutting emissions.

With complete visibility into delivery capacity and demand, retailers can offer low-cost delivery slots many weeks ahead to consumers who want them, flattening out peaks in demand. Consolidating deliveries to a specific area to reduce miles traveled or offering free 'green' deliveries when a delivery is already booked to a neighboring address improves delivery density and lowers the number of miles driven—a key consideration given the continued pressure on driver numbers. Furthermore, this significantly cuts fuel costs and also minimizes emissions—allowing companies to offer delivery slots that are both green and lower cost, improving their appeal specifically to the under 35 generation.

Intelligence-driven route optimization also allows retailers and delivery companies to explore other areas of innovation within delivery services. Almost two fifths **(38%)** of overall consumers are interested in combining all orders over a period into a single delivery at the end of the week, while **37%** would be interested in combining all orders over a period for a single delivery when there are multiple deliveries in their area. Again, younger generations are even more interested in these services: both options appealed to **45%** of under 35s compared to just **25%** of over 65s.

Home delivery persists as an overlooked edge for retailers

Five years ago, online purchasing was growing **20%** year on year. Retailers were challenged to keep up with demand and the priority was tilted toward gaining rather than retaining customers. Those days are past. Not only has the pace of growth slowed but consumers' experiences across more product categories continue to expand their perceptions and expectations of 'good' ecommerce home delivery. With growth slowing and costs rising, retailers cannot sustain customer loss due to poor delivery.

Improving the overall delivery experience is, therefore, imperative. While retailers and delivery companies have made small improvements over the past few years, they are not currently reflecting the quality experience consumers are demanding, especially the valuable under 35 cohort. This generation is now online first. It is not only refining the perceptions of what good looks like but has little tolerance for under-par performance. Effective fulfillment is a fundamental component of online commerce yet, when only **11%** of under 35s are satisfied with the delivery process, and **21%**—or more than one fifth—admit to not ordering from a retailer again in response to mediocre delivery experiences, retailers are risking the profitability associated with long-term relationships with this demographic.

It is time for retailers and their delivery partners to more meaningfully address home delivery problems and significantly improve the customer experience. By elevating delivery performance, retailers can boost customer satisfaction, improve retention and, critically, avoid the delivery problems that can so quickly eradicate profitability.

**Survey based on consumers' ecommerce purchasing and home delivery experiences during the 3-month period from late October 2024 to mid-January 2025.*

About Descartes Systems Group

Descartes (Nasdaq:DSGX) (TSX:DSG) is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, security and sustainability of logistics-intensive businesses. Customers use our modular, software-as-a-service solutions to route, track and help improve the safety, performance and compliance of delivery resources; plan, allocate and execute shipments; rate, audit and pay transportation invoices; access global trade data; file customs and security documents for imports and exports; and complete numerous other logistics processes by participating in the world's largest, collaborative multimodal logistics community. Our headquarters are in Waterloo, Ontario, Canada and we have offices and partners around the world.

Learn more at www.descartes.com and connect with us on LinkedIn and X.

Uniting the People & Technology That Move the World.