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Voxware Biennial Holiday Survey Indicates Consumers Less Tolerant for Delivery Delays and Inaccurate Order Fulfillment

Consumers wary of inflation and economic concerns with majority planning fewer purchases this holiday season

Hamilton, NJ, November 22, 2022 – Voxware, a leading provider of cloud-based voice and analytic supply chain solutions, has released the findings of its 2022 biennial consumer holiday survey. Consumers surveyed report that delivery delays and inaccurate orders have increased of late and indicate they will abandon retailers that fail to meet their expectations for shipping and returns management. Improving distribution operations will have heightened importance this holiday season as 56 percent of survey respondents report they will be buying fewer gifts due to inflation and economic concerns.

“Meeting customer expectations must be the first priority for retailers,” said Keith Phillips, President and CEO of Voxware. “Yet increased mistakes and delays are disappointing customers. Much of the success or failure in meeting customer expectations falls on warehouse services and its ability to move product quickly and accurately into and through the distribution center and out for delivery.”

2022 consumer holiday buying attitudes and behaviors place additional pressure on distribution center performance.

Consumers have grown intolerant of delivery delays and inaccurate order fulfillment and are increasingly more likely to punish retailers who disappoint them.

- Shipping promises are not being met. 44 percent of consumers claim that up to 10 percent of their orders arrive later than promised, and another 20 percent report experiencing late deliveries up to 25 percent of the time.
- 61 percent admit to worrying that the holiday gifts they purchase online will have delivery delays.
- 65 percent of consumers polled report that they will abandon shopping with a retailer altogether after 2-3 late deliveries.
- 81 percent claim if a retailer sends an incorrect order 2-3 times, they will abandon shopping with that retailer altogether.
- 7 percent of consumers report canceling an order after receiving an incorrect item instead of waiting for a retailer to send the correct item (up from 3 percent who reported cancelling incorrect orders in 2020)
- 70 percent of consumers say that they are likely to share a negative experience online when a purchase is late or incorrect.

Post pandemic retailers must keep store shelves stocked AND online distribution humming as customers return to stores for holiday shopping but maintain their online and hybrid shopping habits.

- 38 percent of respondents expect to purchase more gifts in stores than they did during the pandemic.
- 40 percent report they will buy more than 75 percent of their holiday gifts online in 2022, slightly more than the 46 percent who were buying that much online in 2020.
- 60 percent found that shopping online and picking up in stores during the pandemic was convenient and they will continue to shop for some of their holiday gifts this way.
- 68 percent of respondents say they are more likely to purchase little items like stocking stuffers in store this year than they were during the pandemic.

Retailers and their distribution teams must continue to perform all season long as 2022 holiday shopping will go longer and later than recent years.

- While nearly 40 percent of consumers plan to have more than half of their shopping done by Cyber Monday (down from 48 percent in 2020), the remaining 60 percent will take their time.

“Often overlooked tasks in the warehouse will be in the spotlight this holiday shopping season,” said Phillips. “Receiving and replenishment will be key for retailers to move product to where it needs to be. Whether it is refilling the stock rooms in a brick-and-mortar establishment or fulfilling orders directly to consumers, flexible and responsive retailers will come out ahead this season.”

The number of shipments to be managed may increase despite fewer gifts being purchased due to economic uncertainty.

- In 2020, the first holiday season impacted by the pandemic, 77 percent of survey respondents planned to have more gifts delivered directly from the retailer to gift recipients. They will build on that behavior this year as 35 percent of surveyed consumers report further increasing the percentage gifts being sent directly to recipients.

“Consumers appreciate convenience, so those who opted to ship gifts directly to recipients during the pandemic are continuing that behavior,” commented Phillips. “However, the importance of accurate and on-time delivery is critical when shipping directly as the gift-buyer does not have the opportunity to confirm the contents of each individual gift recipient’s package. Retailers must be successful in this area to meet customer expectations.”

Returns management is critical to why consumers select and stick with a retailer.

- A variety of errors and miscues were reported to trigger returns:
 - Correct item that arrived later than promised: 21 percent
 - Item was damaged or showed signs of previous use: 59 percent
 - Item received was the correct item, but it was the incorrect size or color: 48 percent
 - The item received was the incorrect item altogether: 41 percent
- When incorrect orders are received, 70 percent of consumers expect the order to be fixed and redelivered within 3-4 days, and 37 percent of consumers impacted by retailer errors expect some sort of compensation from the retailer.
- Incredibly, for consumers who returned a product due to retail error, 29 percent received an incorrect item a second time.

“It is no secret that distribution and fulfillment centers have been significantly impacted by labor challenges,” stated Phillips. “Constant turnover and a shortage of trained workers led to an increase in errors and a drop off in service levels.”

Economic Concerns Negatively Impact 2022 Holiday Gift Buying Levels

With inflation and concerns about a looming recession dominating headlines, it comes as little surprise that gift buyers are contracting this holiday shopping season. 56 percent of respondents report they are planning to purchase fewer gifts this year than they did the previous holiday season. Only 11 percent indicate they will be purchasing more gifts this year.

Delivery Expectations Firm Up

There is increasing consensus that products purchased online should arrive within 2-4 days of being ordered. 60 percent of respondents expect this delivery window assuming no expedited shipping was requested. In past years' surveys, expectations were more distributed across a range from same day arrival to allowing more than a week's shipping time.

Since 2016, consumers have been increasingly interested in transparency from retailers as it relates to the tracking of orders. However, that figure dropped in 2022 by nearly 15 percentage points down to 60 percent. This shows that consumers have an expectation that when they click purchase, the correct item will be selected and shipped and arrive on time as indicated on the order confirmation.

Optimizing the Distribution & Fulfillment Centers

"All of the issues that we've examined and reported on expose the need for automation technology to better train workers and ensure accuracy for timely and correct orders," said Phillips. "In 2022, only 24 percent of consumers reported their expectations for correct and on-time delivery for items purchased online is higher than it was two years prior. Consumers have endured two years of inconsistent service and are now making changes to the way in which they shop and who they choose to shop with."

Retailers rely on [Voxware VMS](#) to improve speed, accuracy and efficiency in the distribution center. Using Voxware VMS, customers realize immediate improvements in accuracy, double-digit productivity gains, reduced labor/operating expenses and gain complete visibility into distribution operations. Voxware enables its customers to choose the right solution for each job, whether that be voice, scanning or vision through augmented reality. Additionally, its Natural Language Voice Recognition engine, VoxTempo, eliminates creating a voice profile and reduces training time to minutes. This technology enables new (temporary or permanent) workers to be productive on their very first day.

This survey was executed October 26-27 using SurveyMonkey Audience and incorporated responses from U.S. residents 18 years and older.

About Voxware

Voxware offers technology solutions that deliver essential supply chain information exactly when and where it's needed, optimizing the speed, accuracy and efficiency of distribution operations. Its product suite includes both warehouse automation and analytics solutions uniquely focused on distribution functions. With these solutions, companies reach an unprecedented understanding of how best to manage their operations, improving profitability by reducing costs and exceeding customer expectations. For more information, please visit www.voxware.com.

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