

Abstract

“Home delivery – e-commerce success factor?”

Area

Multichannel, omnichannel

Keywords

Online shops, shipping methods, delivery and add-on services, service costs, logistics, ordering process, timeslot delivery, same-day delivery, express shipping, 24-hr shipping, assembly service, pick-up service, free shipping, free returns, service hotline

Study/project

Project, part of the “Retail Management Projects” module

Starting point/project assignment/objective

Home delivery is an important competitive factor. Renowned online retailers in Germany, such as Amazon and Zalando, are launching pilot projects aimed at acquiring additional customers and retaining them through different services. Besides simple product shipping, additional services are being offered in various product segments, such as assembly and installation (e.g. MediaSaturn). In the US, Home Depot was able to multiply its sales figures for barbecues by offering an assembly service. The top 100 online shops in Germany offer different services in the area of home delivery. These had to be analysed in order to answer the following questions:

- Which delivery and add-on services are offered?
- How much do the customers have to pay for these services?
- What services are offered in which product segment (white goods, brown goods, food, furniture, etc.)?
- Can a link be established between the growth/success of online retailers and the offered services?

Procedure

- Detailed registration of the services offered by the top 100 online shops in Germany and related service costs
- Sector-oriented allocation of the online shops
- Analysis and comparison of industry-specific costs when customers avail of the services
- Consideration of the annual growth rate (CAGR) of the online shops
- Comparison of the online shops in the respective retail sectors and comparison of the online shops with the greatest and lowest sales
- Derivation of findings and their consolidation

Results/findings

It can be seen per specific industry that there are major differences with respect to the prices charged but not the service offerings within the industries. There are also differences between industries. After examining all of the online shops, it was found that two services in particular made the difference between companies in the market.

A link between a company's growth/success and the quality or quantity of services offered could not be confirmed.

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