

Finns' Expectations for Parcel Services 2024 – Study

Direct Feedback from Finns to Parcel Services
6/2024

Finns' Expectations for Parcel Services 2024

– Study

We asked the Finns what frustrates them the most when using parcel services and why?

The study offers a perspective that covers all parcel operators in general. **The feedback describes experiences and views of the industry broadly.**

The study was executed by interviewing various experts and conducting a survey representing the Finnish population. This report presents findings that combine these results with Matkahuolto's views on necessary industry measures..

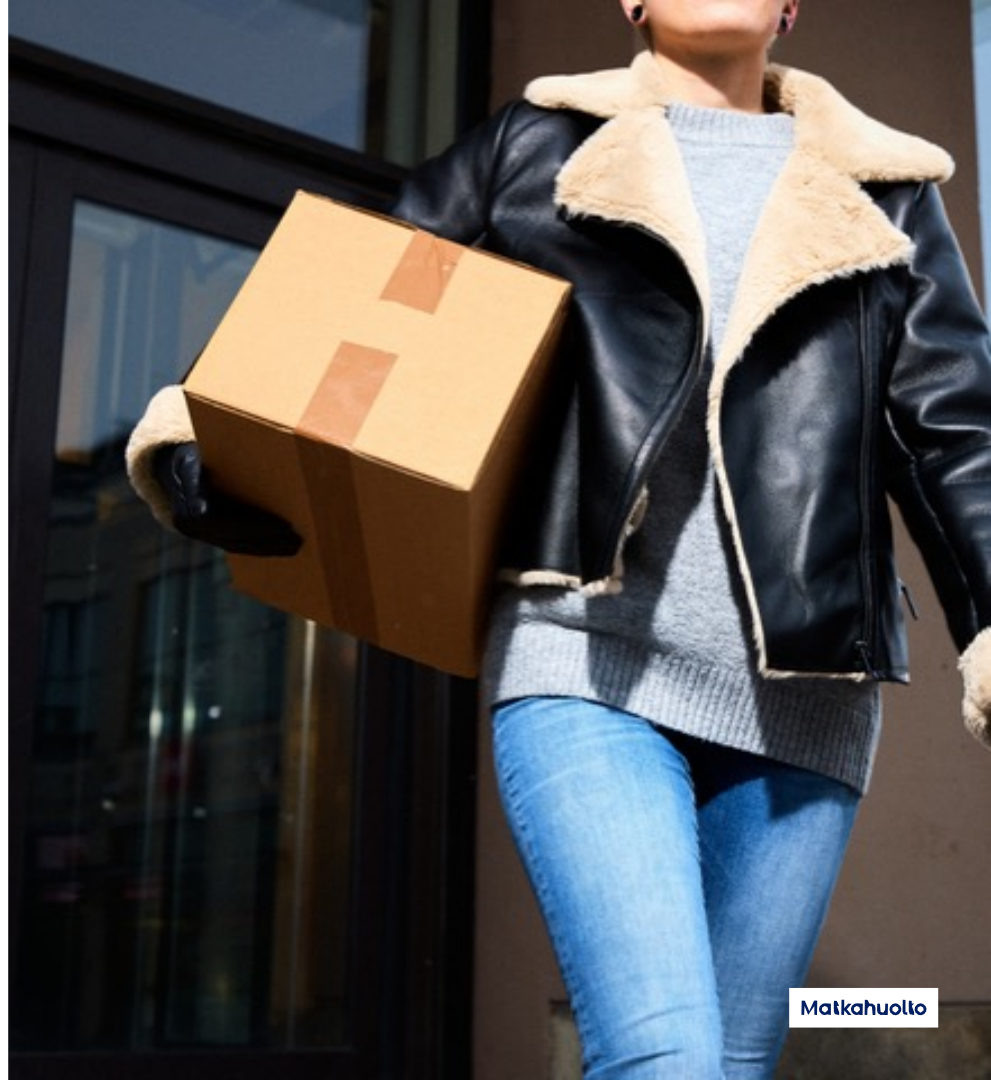




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Improving the customer experience in the industry requires a genuine understanding of the customer

In recent years, the rapidly growing volumes of e-commerce have led to a corresponding increase in parcel delivery volumes, challenging the logistics industry. Much effort has been made to improve customer experience. However, despite these efforts, the results of operators in the sector, as seen in the results of Taloustutkimus's Brand Valuation study*, are declining. Parcel industry providers are nowhere near the top of Finland's most respected brand lists.

Matkahuolto decided to tackle the issue by exploring what Finns find problematic about the industry and why operators are dissatisfied. Only by truly understanding the end customer's perspective, emotions, and human behavior can we make effective improvements.

Matkahuolto wants to have an honest and transparent conversation about the industry and share the findings openly to encourage a collaborative discussion

* Most Valued Brands 2024 –Study, Taloustutkimus and Alma Media

Finns' expectations for parcel services 2024 – Study | N=1000



While Matkahuolto is proud to be recognized again as Finland's most valued parcel brand, we see this as motivation to keep improving. The customer experience is a journey of continuous development.

Kati Nevalainen
Director, Parcel Services and
Service Point Network

Matkahuolto

Execution of the study



Executed by Frankly Partners

The overall study was conducted by the customer-centric agency Frankly and it was commissioned by Matkahuolto.

frankly

Frankly Partners is a Finnish customer-centricity agency, founded in 2013
franklypartners.fi



A population-representative study

The survey was conducted by Bilendi Finland's panel in April 2024. The respondents consisted of a sample of adult Finns by gender, age and place of residence. Number of respondents: N=1000.

Margin of error for total
The sample contains +/- 3%.



Experts and online stores

In addition to the survey, we conducted interviews with experts and online stores

Jukka Häkkinen, psychologist

Leevi Parsama, Chairman of the Board, Digital Commerce Finland

Lasse Mitronen, Professor of Practice, University of Tampere

Arhi Kivilahti, Founder, State of Store & Ada Insights

Johanna Rantala, CEO, Scandinavian Outdoor

Jani Miettinen, Logistics Coordinator, LashLovers

Svante Lindgren, Director of Logistics & Operations, Matsmart

The study is part of our initiative: **Where is my parcel?**

If you run an online store, you've got that question a lot. Or if you have ordered from an online store, you might have asked it yourself. Usually, parcel services companies like us are responsible for the answer. That's why we at Matkahuolto started the 'Where is my parcel?' initiative to make things better. To begin with, we researched the pain points in the industry and what annoys people the most. As the initiative progresses, we will track our development and report our progress. Our goal is that in future, our customers will have to ask 'Where is my parcel?' less often.





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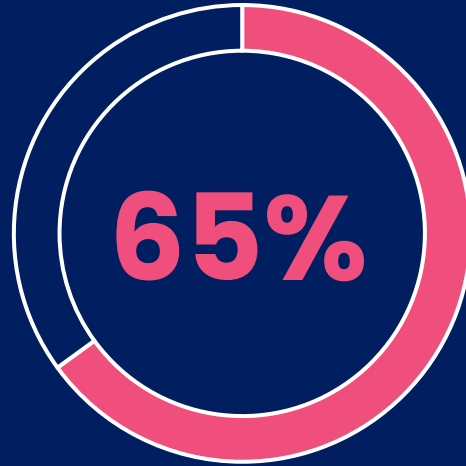
Overview of the current situation in the industry

“Arranging a specific parcel pickup location then having it delivered to a random locker makes me super ANGRY and FRUSTRATED. It is a waste of valuable time, especially with young kids and a busy life.”

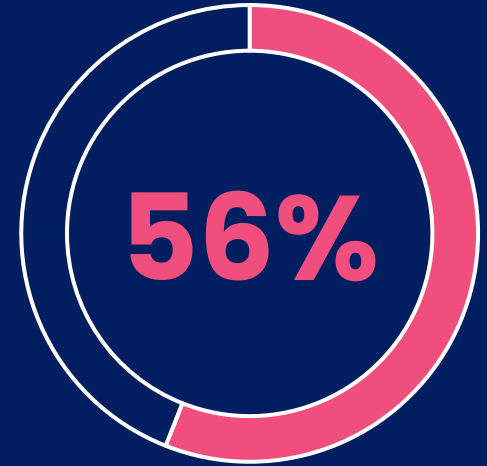
Response from the consumer survey



Almost half of Finns
have had bad
personal experiences
with parcel services
and deliveries.



Among the most active online shoppers, those who order about weekly, as many as 65% have experienced uncertainties or problems with their deliveries.



Among the most active online shoppers, those who order about weekly, 56% have had bad experiences with at least one parcel service.

Therefore

We studied the Finns' specific expectations for parcel services by exploring common frustrations and presenting industry-related statements.

Only by understanding what aspects of parcel services are frustrating and to what extent, we can address them and contribute to improving the entire industry.



Main findings about the current situation

The most frustrating

46% 

The parcel has to be picked up from a different location than agreed upon when placing the order.

OTHER REASONS:

- 18 % Returning an order is troublesome.
- 16 % The parcel does not arrive on promised time.
- 15 % The delivery of the parcel takes too long.
- 14 % Orders with multiple items arrive in separate shipments.

In general, what are the things that frustrate you the most about parcel deliveries or shipments? Choose up to three of the most frustrating. | Multiple choice.

Overall challenges

We asked an open-ended question about what frustrates the most about parcel services. The responses can be summarized into three themes:

- 1 Stress due to changes, especially regarding the delivery location.
- 2 General dishonesty, which breaks the trust.
- 3 Poor communication from customer service, particularly when issues arise.

What frustrates you the most about delivery services? | Open

The current situation

More than a third avoid choosing a specific parcel service or services due to negative image or experiences.

34% of Finns say that they cannot trust the notified delivery times or places.

22% of Finns feel that no delivery service sticks to the agreed terms.

Various statements are listed below. For each statement, evaluate what you think of that statement. | Scale 1-5, where 1=Strongly disagree and 5=Strongly agree | % 4 or 5 respondents



This phenomenon is the most present for the customers who make the most online purchases.

Both stress and dissatisfaction with services are evident, especially among those who are the most commercially significant group for both online stores and delivery services.

Stress and frustration are highest among the most loyal, top customers of both online stores and parcel services.



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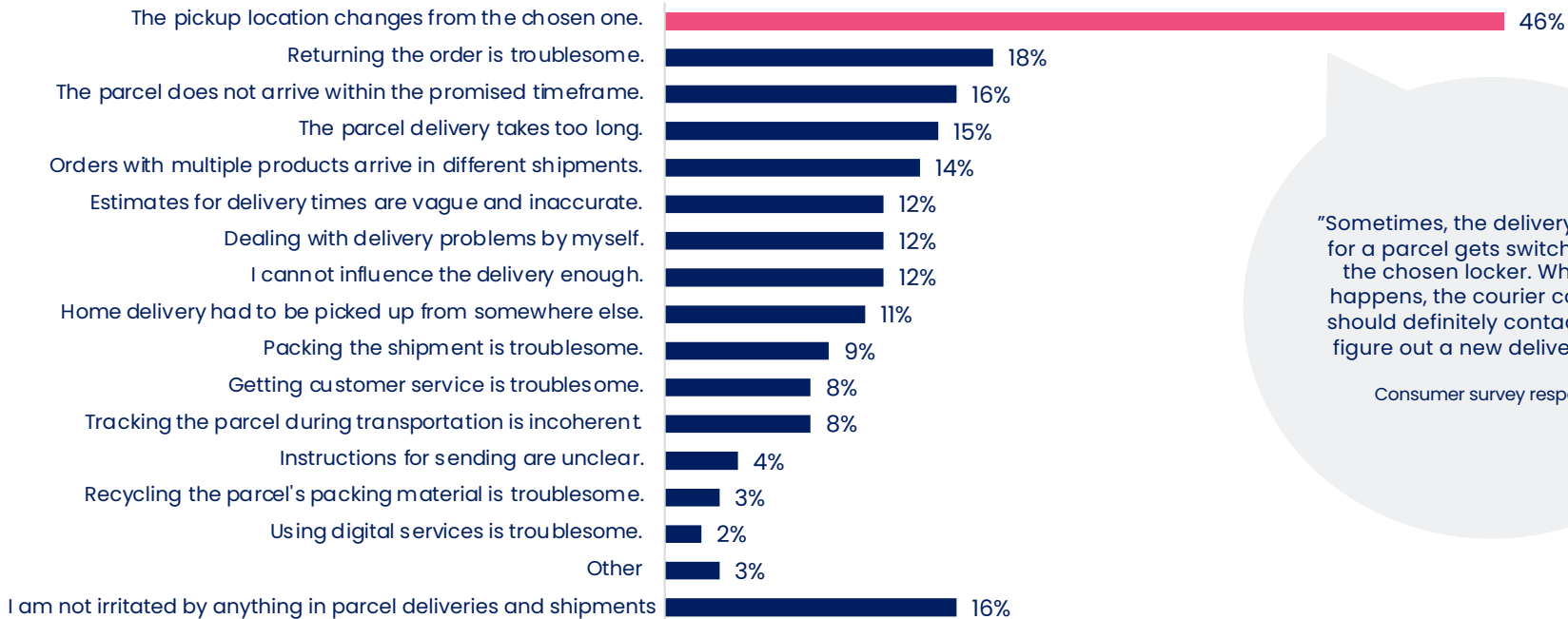
What specifically frustrates you about the services?

“Promises are not kept, and getting help from customer service is difficult.”

Response from consumer survey



Changed delivery location is the biggest source of frustration in parcel services



"Sometimes, the delivery location for a parcel gets switched from the chosen locker. When this happens, the courier company should definitely contact you to figure out a new delivery spot"

Consumer survey response

Direct feedback on frustrations towards the industry can be categorized into three themes

1 Stress regarding changes and deliveries

Change of pickup point, sometimes very far from the original one

No opportunity to influence the delivery method

Changes and inaccuracies in schedules

Slow delivery

Long time frames for home deliveries

Packages breaking or going missing



2 Vagueness and dishonesty

Unclear delivery times, locations, tracking, or senders

Long delivery times

Failed accuracy in deliveries regarding when and where the package arrives

Lack of accountability

Failure to show up all together or claiming to have visited when they haven't



3 Communication

Arrogancy in the tone of voice

General difficulty and complexity of chatbots

Substandard customer service quality (e.g., incompetence)

Difficult-to-reach customer service

Slow customer service

Poor transparency



Changes are frustrating because the goal is to **optimize everyday life**

The optimization of everyday life directs every consumer to some extent when they use parcel services. Particularly individuals in busy life stages, like raising young children, who actively utilize parcel services become frustrated if a tightly optimized schedule is disrupted due to changes by the parcel service.

For most Finns, ensuring the parcel reaches the correct pick-up location is more crucial than potential delays.

Currently, over a quarter of Finns feel that parcel services don't value their customers' time.

46% 

Of Finns are frustrated by parcel services when the delivery location changes. Conversely, only 16% are annoyed by delays in the schedule.

In general, what are the things that frustrates you the most about parcel deliveries or shipments? Choose up to three of the biggest frustrations | Multiple choice

For instance, if a customer has parcel locker downstairs at their workplace, they don't need to spend extra time picking up the parcel from elsewhere. On the other hand, not every order is delivered to the nearest locker, but to a gas station that is easy to reach.

Leevi Parsama, Chairman of the Board, Digital Commerce Finland



In today's world, people optimize their daily lives enormously. Information flows, and people are in a hurry. Scheduling is more or less inherent to each of us; we strive for information economy and try to make things as easy as possible by avoiding overload. And when there's a glitch in the system, our patience wears thin – even if the package is just moved to a locker 200 meters away.

Jukka Häkkinen, Psychologist

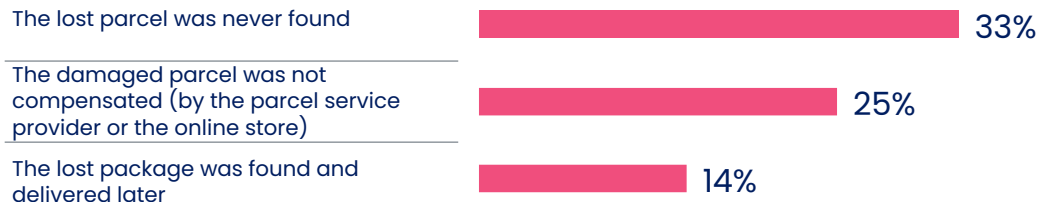
26% 

often experiences stress about where the parcel will be delivered and when.

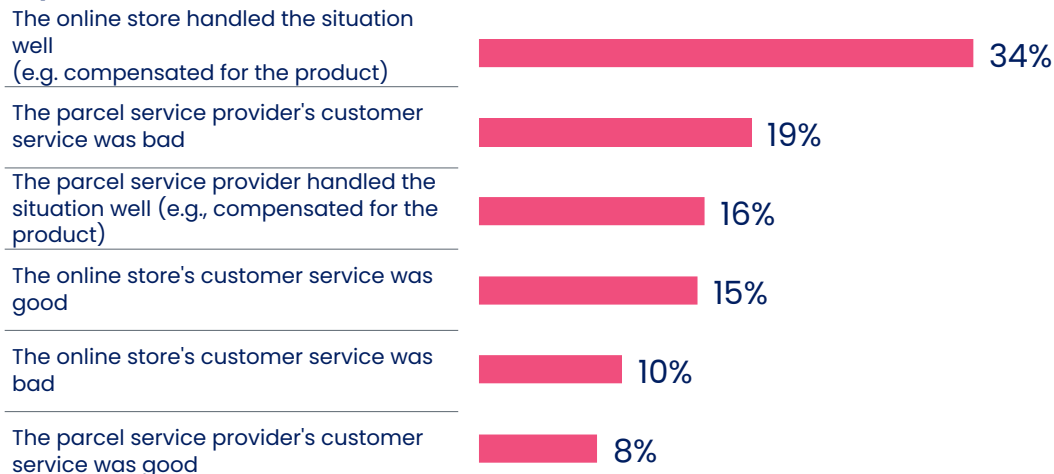
Various statements are listed below. For each statement, evaluate what you think of that statement. | Scale 1-5, where 1=Strongly disagree and 5=Strongly agree | % 4 or 5 respondents

40% of Finns have had a damaged or lost parcel at some point.

What happened to the parcel?

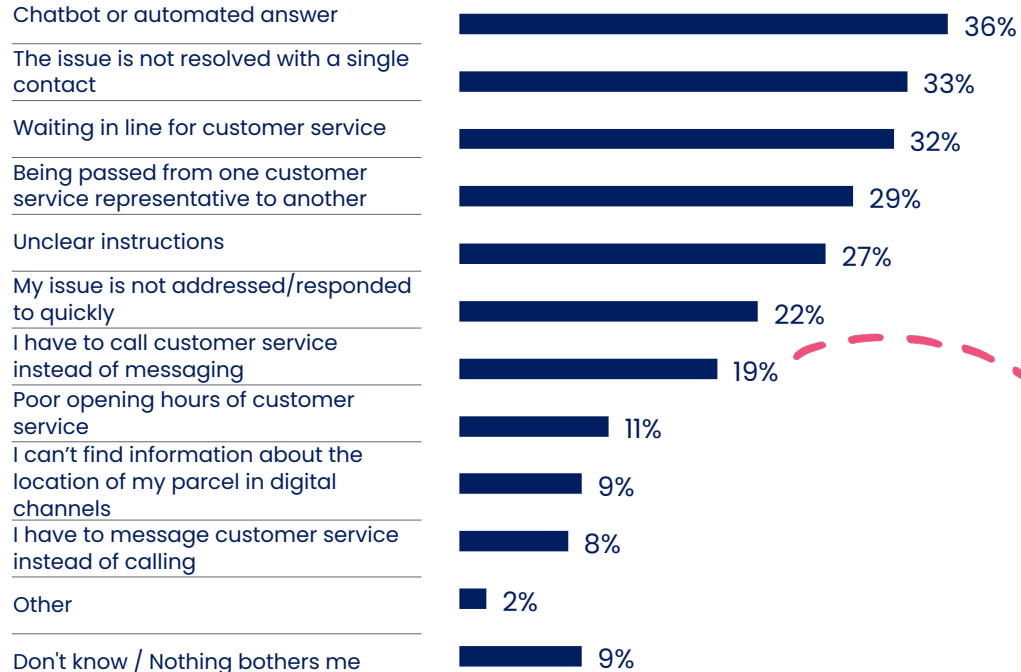


How was the customer service experience?



When problems occur, using chatbots or making multiple contacts to resolve problems is frustrating

What frustrates or would frustrate you the most in problem situation?



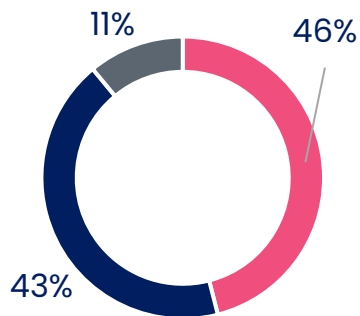
It's also worth noticing people's different preferences:
19% get annoyed if they have to call customer service instead of dealing with things digitally.

When things don't go as planned: Problem situation

If and when PROBLEM SITUATIONS arise, the optimization and planning of everyday life in advance falls apart. Stress that was already present beforehand intensifies in a problematic situation, especially if there are personal or heard-of bad experiences behind it.

At that point, the thought of 'I should have known' easily arises, which escalates frustration, making it even more difficult to resolve the issue. Finns vary in whether they prefer to call or message when a problem occurs, but what consistently annoys them are chatbots - currently, they don't work as they should and fail to understand the underlying emotions; frustration.

Have you experienced any uncertainties or issues with a parcel delivery?



■ Yes ■ No ■ I don't know




Have you ever encountered issues (e.g., uncertainties, changes) with parcel deliveries?

It's more natural for humans to avoid the bad than to favour the good. It's inherently advantageous for us to remember failures, but when things go well, there's no need to dwell on it. But how to let go of this pre-assumption? Which is the company that doesn't cheat or act arrogantly? It needs to be demonstrated - we don't cheat, and if we mess up, we fix it.

Jukka Häkkinen, Psychologist



Top 3 Cause for frustration for Finns when a problem situation arises

- 1**  Chatbot or automated answer **36 %**
- 2**  The issue isn't resolved in a single contact **33 %**
- 3**  Waiting on hold on the customer service line **32 %**

If a problem arises or needs to be resolved with the parcel supplier, which of the following would annoy or annoy you the most?

The worst thing is promising on the online store that the order will arrive on a certain day, but it actually comes one and a half weeks later. That's unforgivable.

Johanna Rantala, CEO, Scandinavian Outdoor



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Why are you frustrated?

"The delivery doesn't happen as agreed. In home delivery, it's usually expected that the driver calls before the delivery, but then they don't call, and the package is taken to a pickup point."

Response in a consumer survey



The need and desire to stay informed: **the sense of control**

Stress reaction arises when using parcel services and there's **A SENSE OF LOSING CONTROL**.

The feeling of control is strengthened when everything goes as planned and the tracking stays up-to-date. If the contract gets broken, the sense of control breaks down.

At the moment, as many as one fifth of Finns feel that they don't receive enough information about the parcel's delivery location or time. This undermines the sense of control: They have trusted the delivery in someone else's hands, but they have no way of knowing what will happen at what point.

The feeling of losing control becomes even stronger when you are faced with a problem situation and emotions take over.



During the order process, what happens and how communication occurs is crucial. It's not so much about what happens during transportation itself. The essential thing is the customer's sense of control. The vehicle has departed, it's on its route, and it's on schedule.

Arhi Kivilahti, Founder, State of Store & Ada Insights



12%

of Finns feel that the estimates of delivery times are vague, and they often find themselves having to clarify uncertainties related to deliveries. This is slightly more noticeable among men.

In general, what are the things that annoy you most about parcel deliveries or shipments? | Multiple choice

Nowadays there is a mix of newer smaller and older bigger players in the Nordic market. There has been service improvements for the customer: better live tracking and transparency, more accurate and only evening deliveries and so on.

Svante Lindgren, Director of Logistics & Operations, Matsmart



Scam radar* Reinforces negative experiences and fosters suspicion towards the entire industry

Human behaviour is guided by an innate scam radar* – we do everything we can to avoid being scammed, as it is not profitable for us.

The customer feels that they are making a clear and solid agreement with the parcel service provider:

In parcel transports, a contract is created and trust is placed in the provider; In exchange for money, the other party delivers important goods from one place to another. When the contract is broken – the place of delivery changes, the schedule changes or there is uncertainties – trust is broken. This naturally triggers irritation, even aggression, which needs to be vented.



Our need for moral validation stems from evolutionary psychology. We have a scam radar, it's built-in. It's actually a bias towards everything – we're inherently a little suspicious so we don't get fooled.

Jukka Häkkinen, Psychologist



If you order a parcel to a parcel locker but it gets redirected to a service point with limited opening hours and requires ID, it requires separate planning. For the customer, it's not just about time reliability but also location reliability. When you've ordered to a parcel point, you also want the parcel to be delivered to a parcel point.

Johanna Rantala, CEO, Scandinavian Outdoor

Attitudes are formed from our own and acquaintances' experiences



Have you or someone close to you had a lost or damaged parcel? | Multiple choice

* Scam radar is a term developed by psychologist Jukka Häkkinen, which he discusses, for example, in his book *Conspiracies around me – why is the truth not interesting to our brains?* (2023), SKS Books.



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Meeting the Finns' expectations today and tomorrow



Experiences of damaged or missing parcels in relation to Matkahuolto's performance

Finns' experiences and expectations

17 % The parcel has gone missing*

33 % The parcel has been damaged*

46% It's frustrating when the parcel doesn't arrive at the chosen location*

Matkahuolto's performance in 2023

Redirecting 12,2 %

Damages 0,024 %

Breakages 0,010 %

Gone missing 0,010 %

Source: Data from Matkahuolto

Finns Direct Feedback to Operators: How do parcel services perform?

Frequently changes the delivery or pickup location from the agreed one*	
xx	52 %
Matkahuolto	14 %
xx	10 %
xx	3 %
xx	3 %
xx	3 %
xx	3 %
xx	1 %
None	36 %

Provides good tracking options for the shipment	
xx	70 %
Matkahuolto	54 %
xx	34 %
xx	18 %
xx	16 %
xx	16 %
None	12 %
xx	10 %
xx	10 %

Unreliable	
None	59 %
xx	22 %
xx	9 %
xx	8 %
xx	7 %
xx	5 %
xx	5 %
Matkahuolto	3 %
xx	3 %

Parcels easily go missing	
None	61 %
xx	29 %
xx	6 %
xx	3 %
xx	3 %
xx	3 %
Matkahuolto	2 %
xx	2 %
xx	1 %

Delivery arrives at the agreed time and location	
Matkahuolto	49 %
xx	39 %
xx	30 %
None	22 %
xx	19 %
xx	19 %
xx	14 %
xx	9 %
xx	9 %

Fast and good customer service	
Matkahuolto	37 %
xx	35 %
None	33 %
xx	20 %
xx	12 %
xx	10 %
xx	10 %
xx	8 %
xx	6 %

* Frequently changes the delivery or pickup point I selected to another one than agreed upon
Choose from the listed parcel services those which, in your own perception, match the descriptions.

Below are listed different parcel carriers and various descriptions. Select all the companies to which the given descriptions in your own perception fit. | Multiple choice | Options: Matkahuolto, Posti, Postnord, Budbee, DB Schenker, DHL, UPS, Wolt, None.

The experience does not improve on its own: It's time for parcel service providers to take a look in the mirror and roll up their sleeves!

1

Better service through transparency

Already, online retailers receive better feedback than parcel services on handling issues, but the results are not flattering. Through the development of transparency, online retailers also have more ways to serve end customers better, as information flows between different actors.

2

More accurate information and a sense of control

Currently, for instance, delivery time frames are perceived as vague and uncertain. By leveraging more technology and fostering collaboration between online retailers and parcel services, we can obtain more accurate information and a sense of control.

3

Let's give end customers more power to choose their preferred parcel service provider

Less than half feel they have enough influence on the choice of provider, and only a third say that it doesn't matter who delivers the package. 35% of Finns actively avoid a certain provider due to negative perceptions or experiences.

Going well, but we can do better

At Matkahuolto, we are constantly developing new

We've developed advanced services to better meet our customers' needs, but we're aiming higher. And so can you, if you are running an online store. Improve your customer experience by offering a wider range of parcel service companies and delivery options to your customers, so that they can choose the best option for themselves along with the additional Matkahuolto services they might need.



No need to return a parcel if the receiver is too busy to pick it up

In the capital region, customers can have their parcel already delivered to a parcel locker brought to their doorstep in case they're too busy or unwell. The service is provided in collaboration with Wolt.



Minimized frustration from changing pickup points

46% of Finns are annoyed when the pickup point for their parcel changes. That's why we are publishing up-to-date information on the most- and least congested pickup points in our network.



Happier customers with the Paketit app

After you ship the parcel, it's easy for your customers to track the delivery with our Paketit app. Also, customers can get assistance if problems occur and can order various additional services, such as changing pickup points or requesting home delivery.



We are seen as the most sustainable parcel brand in Finland

We are proud of the recognition, but our commitment to sustainability does not end here, on the contrary. We achieve our ambitious sustainability goals through concrete and measurable actions instead of talk.



We are the most valued parcel brand in Finland

According to the annual brand appreciation study by Taloustutkimus and Alma Media, we were also the most respected parcel service brand in 2023, a position that we aim to maintain also in future.



More parcel pickup lockers and better service

According to our study, nearly 60% of Finns prefer to collect their parcels from parcel lockers. As we aim to serve our customers better we have acquired the entire network of 148 parcel lockers from Smartmile company.



The Better Way