



Missing Postcodes Cost Online Businesses £146m A Year

Interactive Media in Retail Group (IMRG) has launched the third in the series of its 'Valuing Home Delivery Review' following on from those published in 2006 and 2008.

The 2010 review, produced in cooperation with Postcode Anywhere, serves to show what progress the e-Retail industry is making to eradicate inefficient cost for its stakeholders and to keep it focused on the opportunities that remain. It specifically considers:

- The impact of address quality and data management
- The cost of late delivery
- The cost of attempted delivery
- The cost of failed delivery
- The environmental cost of failed delivery

The scope and range of the data examined cover costs, quality and volume data representing 95 retailers and takes into account:

- Databases containing more than 12 million online consumers and over 3.5 million active online shoppers
- In excess of 13 million orders
- Purchases to the value of £1 billion
- Over 14 million parcels dispatched

IMRG has in parallel also examined additional volume, cost and quality information from the carrier community representing almost 800 million home deliveries.

FAST FACTS - ADDRESSING

Two thirds of respondents reported a reduction in items lost in the post after implementing Address Auto-Fill

- In general, the average cost of failed deliveries (from £4.25 for each late delivery to £91.34 for the loss of a customer) was overlooked by businesses prior to the implementation of address capture technology
- Over 70% of respondents agreed that address auto-fill technology reduced shopping cart abandonments (conversion rates improved by 9%, where quantified)
- 67% of respondents agreed that address auto-fill technology brought a significant return on investment

FAST FACTS - DELIVERY

Failed Deliveries Cost the e-Retail Industry Between £790 Million and £1 Billion Each Year

It is estimated that the UK online and catalogue retail industry now serves 26.9 million active online consumers in the UK with an increasing number from international markets. This number is expected to rise to 30 million by 2013.

These consumers are currently responsible annually for:

- Purchasing an estimated £49.8 billion of goods and services
- Requiring the delivery of an estimated 1.1 billion parcel and packets each year comprising more than 1 billion home deliveries
- Generating approximately £4 billion per annum in delivery charges

Across 6 different 'delivery failure' scenarios we have been able to calculate the cost of 'inefficient delivery' to the three main stakeholders groups to be between £790 million and £1 billion per annum – at least £0.70 for EVERY parcel dispatched.

About Postcode Anywhere

Postcode Anywhere has been providing address services for ten years and is the fastest-growing reseller of Royal Mail's Postcode Address File (PAF®). A multi-award-winning organisation, it has also appeared in successive Deloitte fast-growth European technology company lists and offers a range of data-driven services, including route planning and customer profiling.

About IMRG

IMRG is the UK industry association for e-retailing. IMRG is a membership community for the e-retail industry. IMRG membership comprises hundreds of retail organisations, and enterprises that supply technology and services to facilitate e-retail solutions. Its activities span the e-retail spectrum – from online, telephone and mobile commerce, to digital TV.

Further information

IMRG members can download the Valuing Home Delivery 2010 report here:

<http://www.imrg.org>

Download press release here: <http://www.postcodeanywhere.co.uk/about-us/news-item.aspx?n=missing-postcodes-cost-online-business-146m>