



What could convince you to buy online?

DIY & Garden
e-commerce study

Consumer is typing...

Message



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Table of content

Introduction	3	What would convince you to buy online?	15
The Belgian DIY & gardening market	4	1. Exact timeframe.....	16
Methodology	7	2. Installation.....	17
Why not online?	8	3. Technical advice.....	18
Delivery	10	4. Return service.....	20
Willingness to pay	12	5. Product specific (size).....	22
		6. Product specific (quantity).....	23
		What should you be working on?	24
		Sources	25



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Introduction:

The retail industry is changing significantly as consumers are getting accustomed to e-commerce, but how well has the Belgian DIY & gardening sector adapted? How are the traditional players doing online, and what can be done to further boost online transactions?

In this white paper by bpost and The Retail Academy, we take a closer look at the DIY & gardening sector. We got in touch with consumers on the shop floor, conducting interviews to find out what stops them from buying online. We have also defined several critical factors that retailers need to be working on to convince their customers to buy online in order to further develop and optimise e-commerce in the sector. These factors are outlined in order of importance further on in the paper.

Before getting to the crux of the study, it is important to have an idea of the current status of the DIY & gardening sector in Belgium. We therefore start by providing a broad overview of the biggest players and how they are performing both on- and offline.

Enjoy the read and do not hesitate to contact us should you have any further questions!



Kathleen Van Beveren



Pierre-Alexandre Billiet

The Belgian DIY & gardening market

Before delving into the results of the study, let us take a look at the current situation of the Belgian DIY & gardening market. Who are the biggest players? How are they performing online? First, let us start by defining the sector. DIY (Do-It-Yourself) comprises retail chains that sell products to make home improvements and repairs yourself. Furniture retailers such as Ikea and Maison du Monde are not included in the DIY section. Gardening encompasses all products used for gardening and outside living. The major DIY players in Belgium do have a 'gardening' section as well, accounting for part of their turnover.

Overall, the Belgian DIY & gardening market represents €3.8 billion in turnover, spread across 3,457 points of sale.^[1] Over 75% of the turnover of the DIY sector stems from 'The Big Three' - Brico, Hubo and Gamma. The gardening market, on the other hand, is rather fragmented, Aveve being the only player that stands out.










E-commerce in the DIY & gardening sector is still in its infancy, with consumers yet to make the transition online for two reasons. Firstly, the DIY & gardening sector caters for an older population, with 67% being over 51 years old.^[2]

Secondly, the traditional retailers were late to establish their online stores, with Brico, Hubo and Gamma only setting them up recently, allowing pure players such as Amazon, Coolblue and bol.com to establish themselves in the market.

The potential to expand e-commerce in the DIY and gardening sector is enormous. On average, consumers spend €119 on an online purchase - the 4th highest average across all retail categories, with only the travel, computer & electronics and home sectors performing better.^[3]

Power tools, decoration, flowers and plants are purchased online most often, but with e-commerce growing by 35-40% a year it won't take long for the other product categories to follow suit.^[4]

How can we boost e-commerce in the DIY & gardening sector? What stops consumers from buying online? These questions and more are answered in the next part of the white paper.

				
 Turnover ^[5,6]	€1.35 billion (BeNeLux)	€650 million (Belgium)	€1.9 billion (BeNeLux)	
 Online ^[4,6]	1% of total turnover (Belgium)	2-3% of total turnover (Belgium)	6% of total turnover (BeNeLux)	
	No. 1 Belgium No. 2 BeNeLux	No. 2 in Belgium 100% Belgian	No. 3 Belgium No. 1 BeNeLux	
 Market share ^[6]	32%	31%	14%	
 No. Stores Belgium ^[5]	159	145	86	

		<p>Turnover €210 million</p> <p>↳ Includes garden, baking & pet products</p> <p>Points of sale: 250 - Average shopping floor surface: 700 m² <small>[5,6]</small></p>
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Methodology

The paper is based around one core question, namely 'why are consumers not shopping online, and what can be done to stimulate online purchasing?'. To find out why consumers are not buying online, you need to get in touch with consumers visiting physical stores, which is exactly what we did.

bpost and The Retail Academy took the questions to the shop floor, interviewing 118 consumers who had just made an offline purchase, in collaboration with Belgium's biggest DIY & gardening players - Brico, Gamma and Hubo. For each retailer, a store was selected in the regions of Flanders, Wallonia and Brussels to achieve a representative image of Belgium. Consumers exiting the store with a purchase were asked about their motives, while keeping the type of product they purchased in mind.

Learn about the true perception of the Belgian offline DIY & gardening consumer. Get to know what it is that makes offline consumers prefer the physical store and find out how much they'd be willing to pay for an e-commerce delivery and which factors would convince them to shop online!

Why not online?

Consumers leaving a physical store with a basket obviously didn't buy their items online. Why not? bpost and The Retail Academy asked the question. The main reason given by our respondents was the inability to see the product in real life. The fashion industry faced a similar problem, as the consumer first wanted to try on and feel the item before purchasing it. The key to success was found in a smooth and free returns service that enabled these customers to try on different outfits at no extra cost.

The ability to make a better-informed decision in-store came in second. More information than ever can be found online, with forums such as Reddit providing insights on how various consumers experience a product, while YouTube reviews examine a product in depth. Nevertheless, consumers still look to the physical store to find answers to their questions.

It is vital to understand the role of employees in the store. Consumers see personnel as trusted advisors who can guide them in making the right decision. The human touch, combined with the right amount of expertise, is a big factor that separates the offline and online experiences, but it is important to make sure that your employees are up to the level of expertise your customers expect of them.

Delivery, which, according to our respondents, takes too long, came in in third place. Let us continue by taking a closer look at delivery.

Did you consider buying online?

1/5



Just over 20% of the consumers questioned indicated that they had considered purchasing the products online, but eventually decided to go to the physical store. 80% had never even considered buying their items online.

"Why have you decided not to buy online?"



*Others include: Habit, I live nearby, personal preference, ...

● I want to see the product before purchase

● I can make a better-informed decision instore ● It takes too long for the delivery to arrive

● Other ● Delivery cost is too high

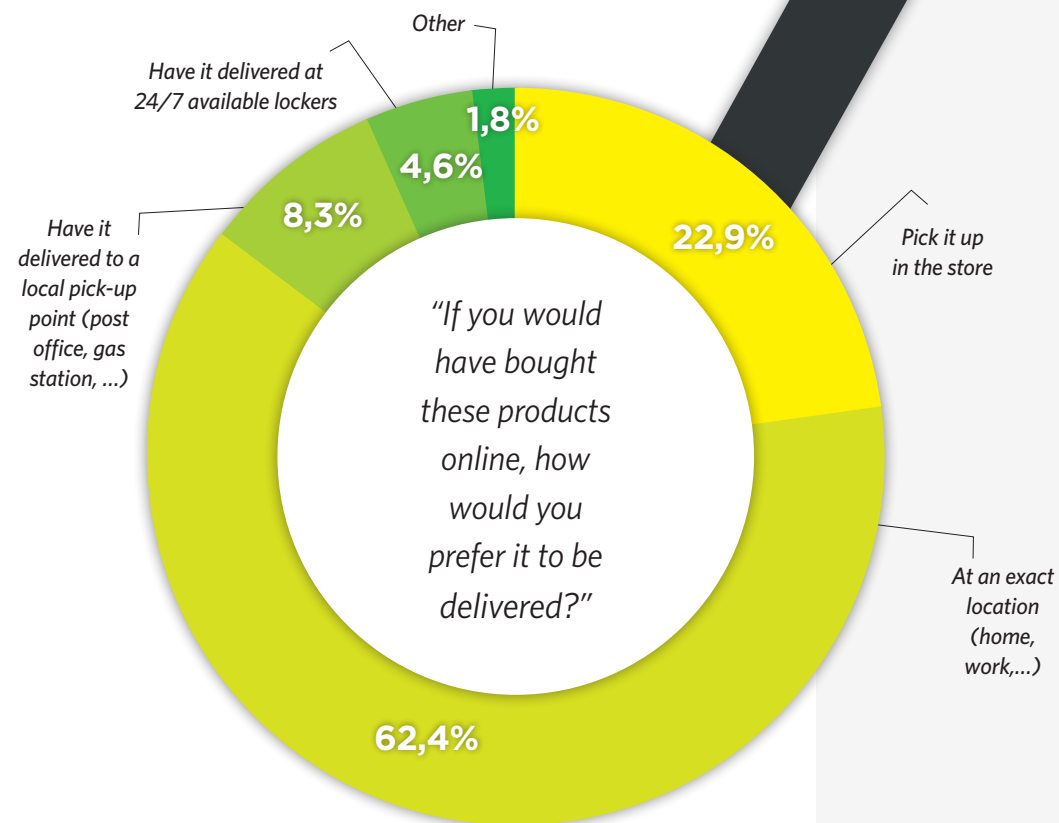
● I do not trust e-commerce ● The delivery never arrives on a suitable moment

Delivery

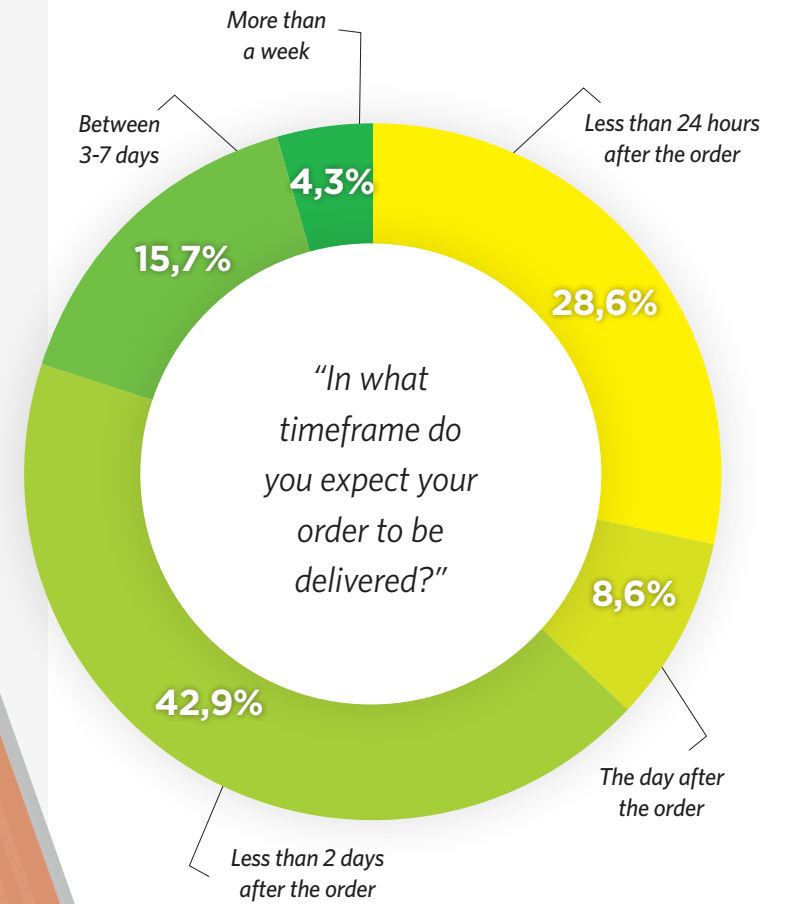
DIY & gardening consumers prefer delivery to an exact location (home, workplace, etc.). This came as no surprise as the Belgian shopper prefers home delivery for every other retail category. DIY & gardening is no exception, with 62.4% favouring delivery to an exact location.

What did come as a surprise was the willingness to collect the order from a store. 22.9% of DIY & gardening consumers claimed to prefer to collect their order in store, which differentiates DIY & gardening products from other retail categories.

According to De Kracht Van de Keuze, a research project carried out by Ipsos and bpost, only 1% of Belgian consumers preferred to collect their order from a store. The DIY & gardening sector is clearly an exception. ^[7] In interpreting these results, it is important to keep in mind that our results will be biased towards the physical store due to the nature of the study. As we questioned consumers present in the store, the percentage favouring physical stores will be higher. Even with a bias towards the physical store, the discrepancy between DIY & gardening products and other categories is remarkable.



Delivery to an exact location remains the preferred option, but in what sort of time frame does the consumer expect their delivery to arrive?



2 Days

Over 80% of consumers expected their delivery to arrive within 2 days. 28.6% of these consumers even expected delivery within 24 hours. Delivery speed is a critical aspect of online shopping in the DIY & gardening sector, and collaborating with the right partners to ensure an optimal delivery flow will be critical to meeting customers' ever-increasing expectations.

Willingness to pay

What would consumers be willing to pay for delivery if they had ordered their products online?

€7

is the average that DIY & gardening consumers would be willing to pay for delivery of an online purchase.

39,5%

of respondents expected delivery to be completely free. If you filter out those unwilling to pay for delivery, than the average amount will be significantly higher.



€11,4

is the average that consumers were willing to pay for delivery in an online purchase, filtering out those who were not willing to pay anything at all.

E-commerce is a service that relieves customers of the burden of having to go to the store, yet the added value of e-commerce is often not accounted for in the cost.

In the quest to convince consumers to shop online, e-commerce giants such as Amazon have raised customer expectations to a new level, and online orders are now perceived as being delivered free of charge.

What would be the optimal price strategy for online delivery in the DIY & gardening sector? Making delivery completely free is likely the best option, as 39.5% of your customer base expects you to do so. If, however, you have decided to charge for delivery, it is best to aim for a price in the region of €11.4. Charging a moderate fee in the region of €5 will only discourage consumers who expect free delivery, while not harnessing the full potential of those willing to pay more.

“How much are you willing to pay for an online delivery?”



The amount that consumers were willing to pay for having an online product delivered differed depending on the items that were bought. We found, for example, that consumers were willing to pay more as item size increased.

Item size	Delivery cost willing to pay
Extra Large	€13,8
Large	€9,3
Medium	€6,5
Small	€5,5

Larger-sized items being less manageable and generally more of a hassle to transport around made consumers more inclined to pay an extra charge to have them delivered to a preferred destination.

Another effect that was observed was the influence of a product being 'dirty'. A bag of concrete leaving behind marks of dust, for example, would be a dirty product.

Is the item dirty?	Delivery cost willing to pay
Yes	€8,8
No	€6,7

On average, consumers were willing to pay more to have dirty products delivered rather than have to transport them themselves.



Category	Delivery cost willing to pay
Garden & outdoor	€8,9
Construction material	€8,8
Tools & installation	€5,6
Paint, laminate & decoration	€4,4
Bathroom, kitchen & home	€2,3



Varying results were also observed across different product categories.

Gardening and construction materials are usually larger products that leave marks behind when being transported. The combination of both being a 'dirty' product and also being less manageable to transport due to their size and weight made consumers more inclined to pay a higher price for delivery.

The bathroom, kitchen & home category finds itself at the bottom of the grid. This category usually houses products that are either low-budget or high-budget, with little in between. Consumers were not willing to pay a hefty charge for having a low-budget product delivered, as the delivery charge shouldn't cost nearly as much as the product itself. For high-budget products, consumers assumed that the delivery cost was included in the total price.

What would convince you to buy online?



What would convince consumers in the Belgian DIY & gardening sector to buy online? The online customer journey is far from perfect, often discouraging customers from shopping online. bpost and The Retail Academy defined some of the struggles they face and asked how certain factors would affect their decision to buy online. These factors were as follows:

1. Exact time frame
2. Installation
3. Technical advice
4. Return service
5. Product specific (size)
6. Product specific (quantity)

For each topic, consumers were asked to rank how their buying decision would be impacted on a scale ranging from 'It would certainly not impact my decision to buy online' to 'I would certainly buy online' if the factor were available. To make the results easier to interpret, we've converted them to a Buying Behavior scale.*

*The Buying Behavior scale gives an indication of the likelihood a consumer is going to buy online instead of offline, following from the implementation of a distinct feature.

These results were calculated as follows: consumers interviewed were presented with the introduction of a certain feature, on which they were able to rate how likely they were to buy online if this feature would be available. Respondents were able to choose the following answers: Highly unlikely - unlikely - probably not likely - probably likely - likely - highly likely. Each was awarded a score of -3, -2, -1, +1, +2 and +3 respectively, which was then multiplied by the percentage of respondents in each branch. We then divided the average of this result by 3 to fit in a spectrum ranging from [-1 to +1], giving a clear indication of the likelihood that the factor would convince a consumer to purchase online.

1. Exact timeframe

One initial factor that could impact buying behavior is delivery within a predefined time slot. The consumer would be able to choose the exact time slot in which the delivery would arrive at their preferred destination.

E.g. Consumer A buys a power tool online and wishes to have it delivered next Tuesday between 3pm and 4:30pm.

Exact timeframe was positively received by our respondents, scoring +22% on our Buying Behavior scale. Not knowing when a delivery will arrive influences the decision to buy online, as well as the location to which the package should be delivered. Consumers do not want their order to arrive at their workplace over the weekend.



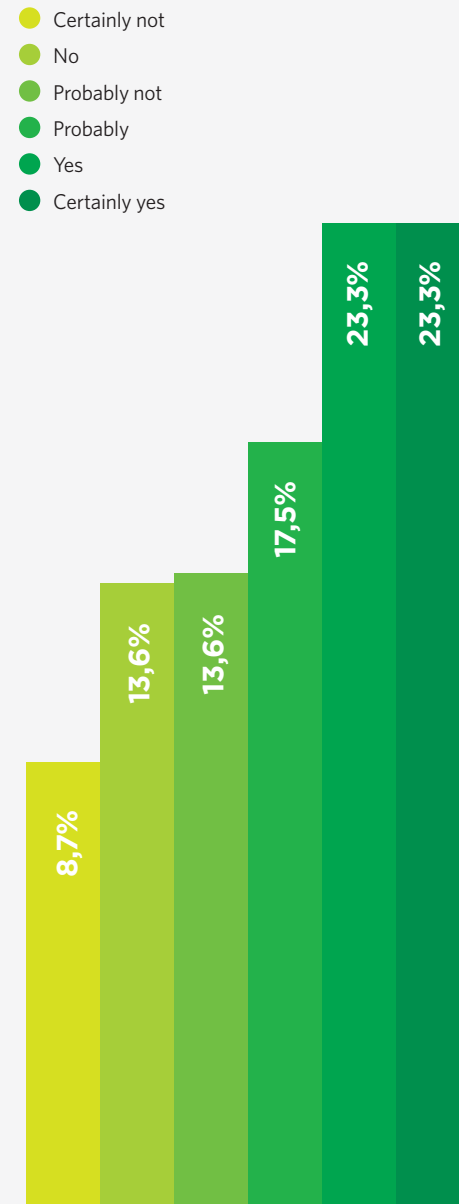
Delivering within a specific time frame is expensive, but even if you are unable to communicate the exact time frame for delivery, you can still give clear estimations. Coolblue, for example, allows its customers to pick a preferred date and communicates specific timings on the delivery day itself. [8]

Free delivery

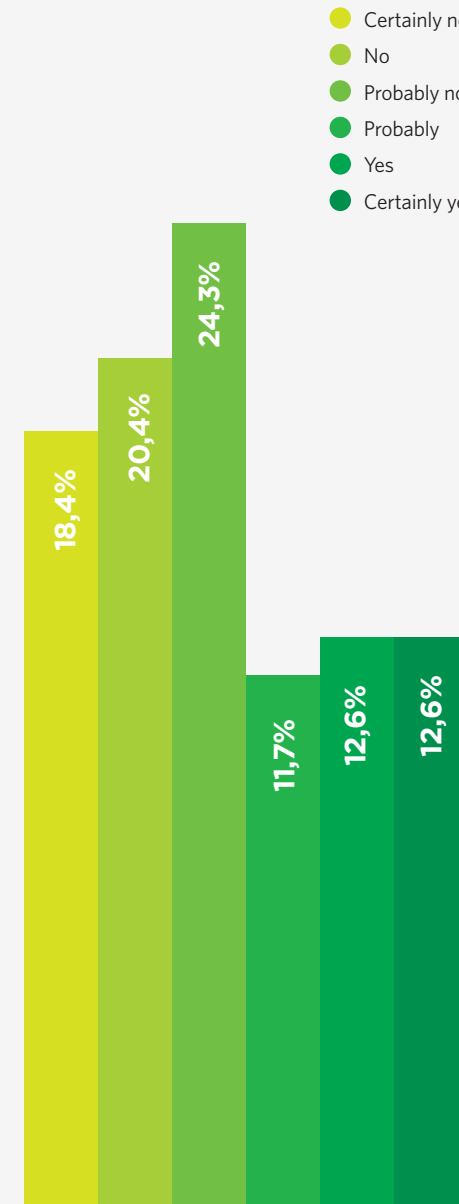
Tomorrow (Tuesday) ▾

- ✓ You'll receive a 1-hour time slot before 07:00 on the delivery day.
- ✓ Our delivery drivers will notify you 15 minutes before they arrive.

Changing your time slot or picking up large products at a pickup point or in our stores is not possible. If you're not home at the delivery time, we'll let you know how to make a new appointment.



"Would you be convinced to buy online if: you would be able to predefine the time window in which the delivery would occur?"



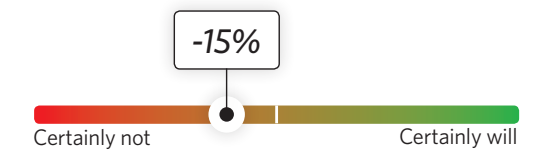
"Would you be convinced to buy online if: you would be able to order a handyman who would do the installation for you?"

2. Installation

The second factor that we introduced to the consumers was the option of enlisting the services of a handyman who would not only deliver your requested items but also install them for you.

E.g. Consumer B orders a new water tap online and requests a handyman to do the installation.

The option of having a handyman install an ordered product would not motivate our respondents to buy online, indicating that Belgian DIY'ers want to do the installation themselves. On our Buying Behavior scale, a score of -15% was achieved, indicating that this factor would not convince our sample to buy online.



Retail giants such as Amazon and Ikea already have their installation service in place, through Amazon Home Services and Ikea's Taskrabbit respectively, and there is likely a target group for which this service is an added value. The Belgian DIY'er, however, handles these tasks as a hobby, and prefers to experience the joy of doing it themselves.

In interpreting these results we must keep in mind that the average customer that frequents the largest Belgian DIY & gardening retailers is a true DIY veteran. According to our Belgian DIY consumer preference study, 67% of respondents indicated that they were over the age of 51. Millennials have a lesser presence on the DIY landscape and are likely a target group for which on-delivery installation would be an appealing service. [2]

3. Technical advice

As for our third factor, we asked our sample if they could be convinced to buy online if the delivery person were able to provide technical advice at the time of delivery.

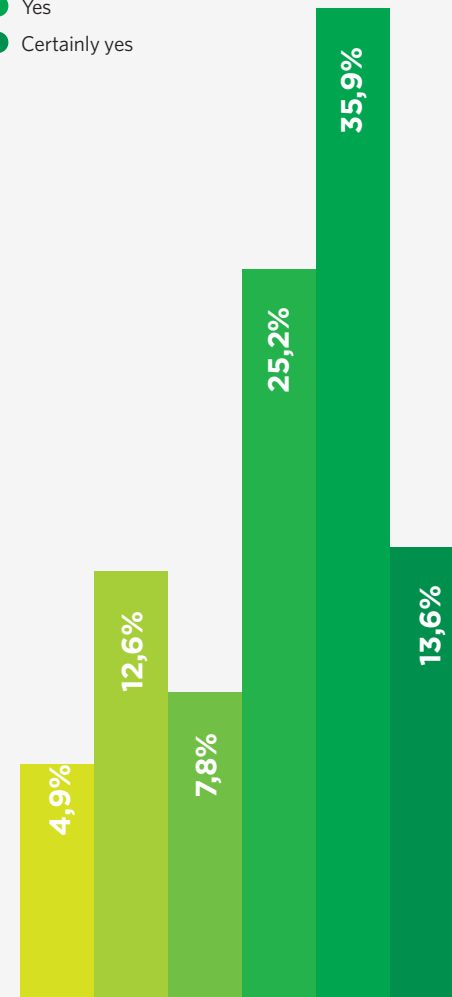
E.g. Consumer C orders a new lawnmower. Upon delivery, the delivery driver gives them a detailed briefing on how to use the lawnmower, covering its various functionalities.



Technical advice positively influenced our sample to purchase online, with this factor achieving a score of +30% on our Buying Behavior scale, indicating that consumers would be more likely to buy online if this was offered.

Expertise is key, as we've seen in earlier results. When asking consumers why they didn't make their purchase online, 'because the store allows me to make a better-informed decision' came in second with 29.4% of the responses. Consumers are looking for human feedback and validation. Providing training to enable delivery personnel to give advice adds value to the online customer journey.

- Certainly not
- No
- Probably not
- Probably
- Yes
- Certainly yes



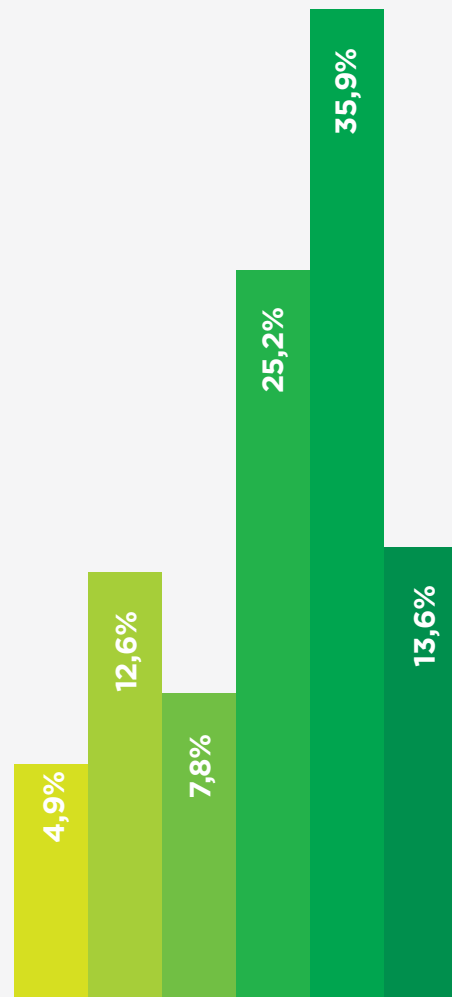
"Would you be convinced to buy online if: the delivery person would provide technical advice upon delivery?"

On logistics in e-commerce for DIY & Garden:

“Of course that is where the challenges are. In my opinion, it is best to outsource this to logistical specialists. There are several solutions, but logistics is a major challenge that requires tremendous effort, specially in terms of profitability.”

Erwin Van Osta
CEO, Hubo

- Certainly not
- No
- Probably not
- Probably
- Yes
- Certainly yes



“Would you be convinced to buy online if: an optimised return service would be present?”

4. Return service

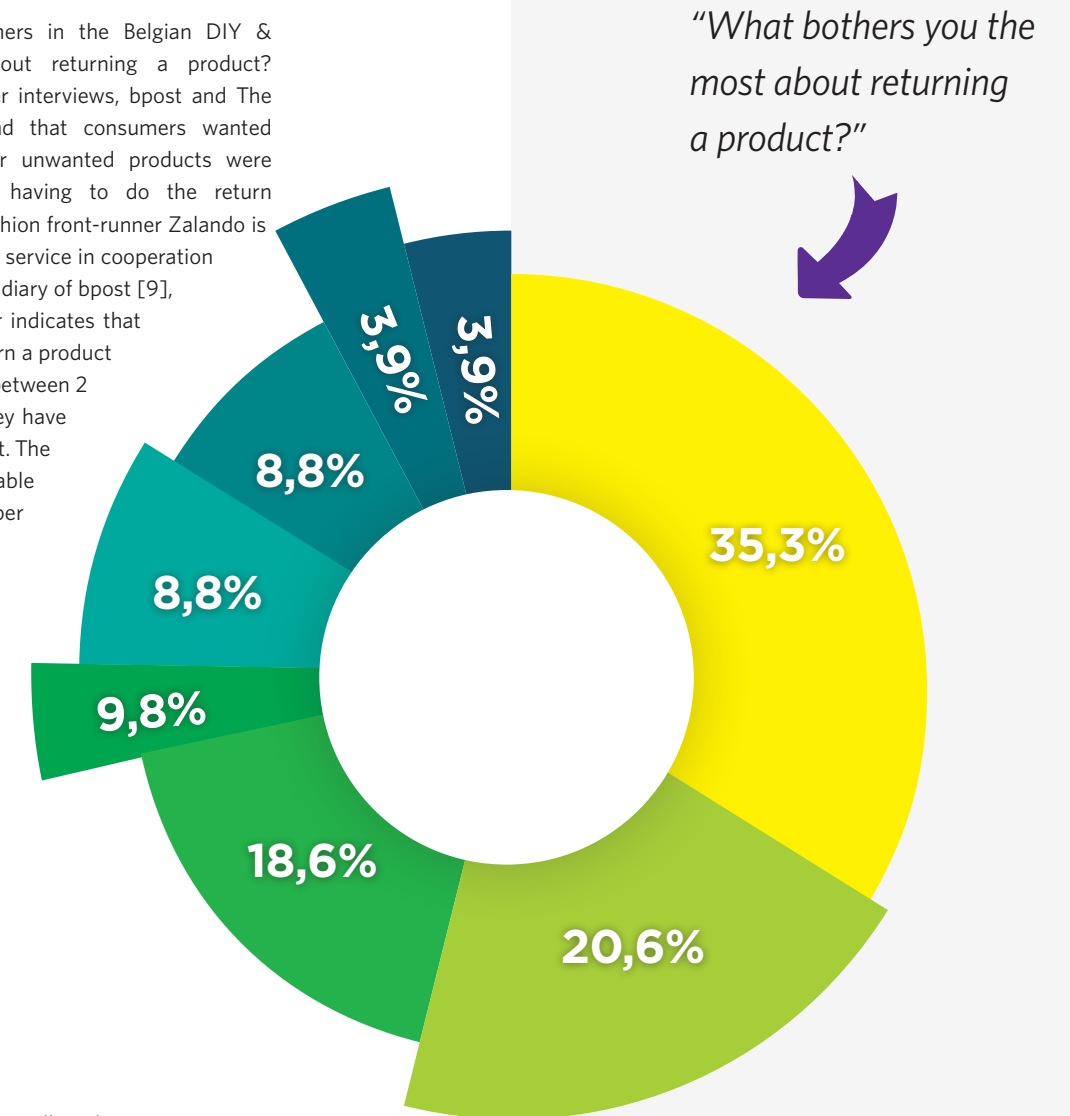
The return service was one of the most widely discussed components of the online customer journey. Would you be convinced to purchase online if a seamless returns service were available?

A smoother returns service resulted in the most conclusive results of the survey achieving a score of +55% on the Buying Behavior scale. It is safe to say that the current conditions governing the returning of products are holding consumers back from buying online.



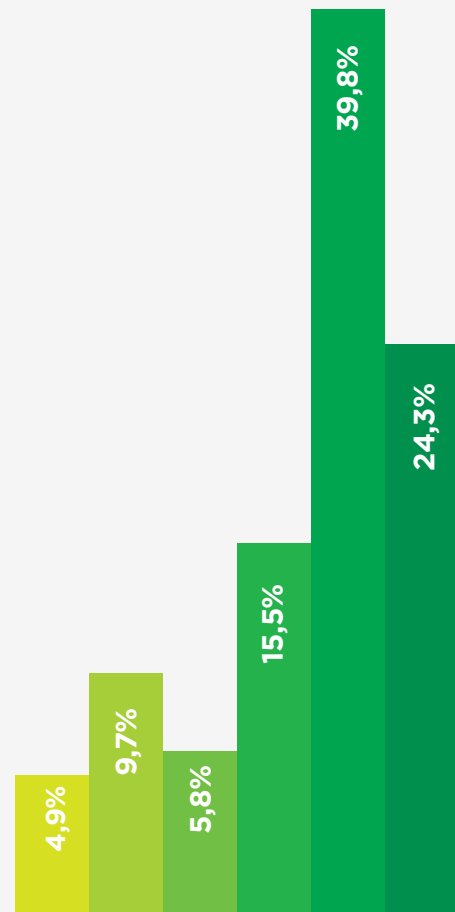
A better return service would help consumers to overcome the main reason for which they opted not to purchase their product online (‘I want to see the product before buying it’ came out on top with 42.9%). Optimising their return flow is a must for all online retailers.

What bothers consumers in the Belgian DIY & gardening sector about returning a product? Through our consumer interviews, bpost and The Retail Academy found that consumers wanted a service where their unwanted products were collected instead of having to do the return themselves. Online fashion front-runner Zalando is already trialling such a service in cooperation with Citydepot, a subsidiary of bpost [9], whereby the customer indicates that they would like to return a product that is then collected between 2 and 48 hours after they have submitted their request. The service will be available at a cost of €4.95 per package. [10]



- I want someone to recollect the return
- It costs too much time to return a product
- I want to be able to return a product 24/7, at a pickup point or at a
- I do not know what returning a product is
- The time frame to return should be longer
- None of the above
- I fear that my money will not be redeposited
- Other

- Certainly not
- No
- Probably not
- Probably
- Yes
- Certainly yes



“Would you be convinced to buy online if: you would be able to define the exact size of a product?”

5. Product specific

The next section covers services that are only available to a specific range of products. The first factor analysed is the option of defining an exact product size.

Size

E.g. Consumer D is crafting a treehouse for his children to play in. He has all of the materials he needs apart from a single wooden plank measuring exactly 160cm long, 10cm wide and 3cm high.

The ability to order specific sizes has a significant effect on the likelihood of buying online, achieving a score of +42.7% on the Buying Behavior scale - a simple yet effective addition to the online customer journey.

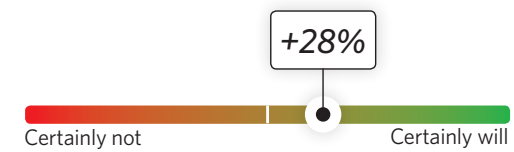


The second product-specific factor is the option of ordering a specific quantity of a product.

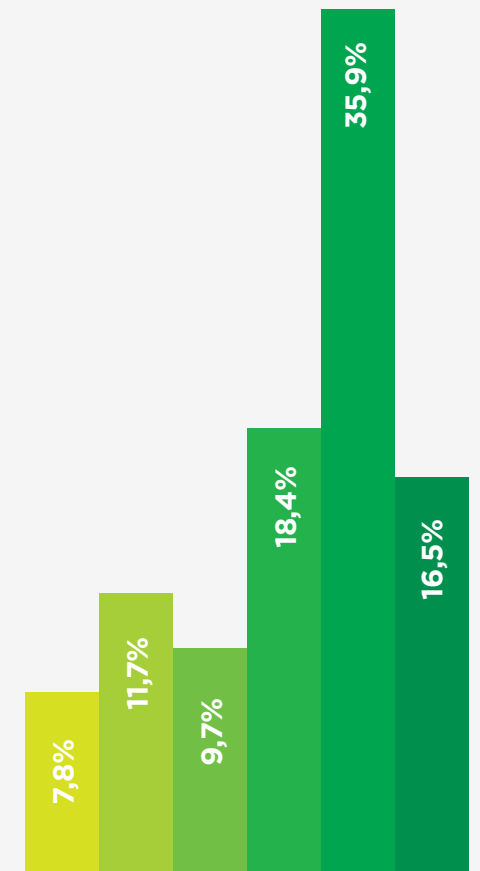
Quantity

E.g. Consumer E is building a treehouse for his children to play in. Having nearly finished the treehouse, consumer E notices that he has all but 3 screws of a certain type. Consumer E is forced to buy a pack of 100 screws that he will unfortunately never use again.

Being able to order a specific quantity of a product again has a positive effect on the likelihood of buying online, scoring +27.7% on the Buying Behavior scale. Although retailers wouldn't be selling a whole pack of screws, a higher price per screw could be charged for a specific quantity, resulting in less waste and higher margins.



- Certainly not
- No
- Probably not
- Probably
- Yes
- Certainly yes



“Would you be convinced to buy online if: you would be able to define the exact quantity of a product?”

What should you be working on?

The online customer journey is far from optimized. A lot of steps can still be taken to further convince Belgian DIY & Garden consumers to participate in e-commerce. What should be your priority to focus on? The Retail Academy and bpost provide you with one last overview of the results:

1. **Return service: +55%**
2. **Product specific - size: +42,7%**
3. **Technical advice: +30%**
4. **Product specific - quantity: +27.7%**
5. **Exact timeframe: +22%**
6. **Installation: -15%**

The results indicate the likeliness to buy online according to our buying behavior scale, if the option would be available.

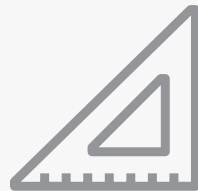
+55%

Return service



+43%

Product specific



+30%

Technical advice



#

+28%

Product specific - quantity



+22%

Exact timeframe



-15%

Installation

Sources

- [1] Comeos, Fod Economie, The Retail Academy, Febiac, Febelfin (2017)
- [2] The Retail Academy, Belgian DIY & Garden consumer preferences (2017)
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- [4] Vakblad MIX, Interview Harm-Jan Stoter
- [5] Published annual report
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- [10] Zalando, <https://zalando.bpost.be/returns/pickup/#/home>



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