

# ADDING HUMAN RIGHTS TO THE SHOPPING CART

Examining whether nudges can shift consumer online shopping behavior and improve working conditions for couriers

September 2020

Consumers' choices about the delivery terms of products they order online can have a significant impact on the working conditions of the couriers who deliver their purchases. Shift – through its Valuing Respect Project – partnered with the Behavioral Science Group at Warwick Business School to see if behavioral science could suggest some ways to "nudge" consumers towards longer delivery windows that could reduce pressures on couriers. The findings suggest some specific ways in which retailers could make a difference.

**Online shopping is booming.** In the UK in 2019, average weekly online retail sales **rose from £1.45billion** in 2019 **to £2.2billion** in May 2020. Retailers have struggled to keep up with demand during the COVID-19 pandemic, comparing it to the Black Friday and Christmas rush periods.

A critical part of the online shopping value chain are logistics companies who fulfill retailers' delivery to consumers. The industry is fast-

changing but many logistics companies rely on couriers who often:



Longer delivery windows enable better planning and forecasting, provided that retailers pass on the additional time to their logistics providers, who use it to support couriers. While some logistics providers pay couriers a premium to deliver high-value items, the delivery of these items can also place additional pressures on them. Self-employed couriers tend to only be paid if the item is delivered, which can delay or dilute payment if the courier must make multiple trips.



# TESTING WAYS TO NUDGE CONSUMER BEHAVIOR

**WHAT IS A NUDGE?**  
A nudge is a change in how choices are presented that alters people's behavior in a predictable way without forbidding any options or significantly changing their economic incentives.

We ran an online shopping simulation experiment with 2,500 regular online shoppers in the UK. Participants were asked to imagine they were buying a low-value (book), medium-value (coat) and high-value (laptop) product. They were then asked to select their delivery preference for each.

The control group received no nudge and acted as a point of reference to compare the effectiveness of the groups receiving the nudges. Participants in

this group saw a list of delivery options from fast to slow, with the fastest option as the default. This mirrored how many popular online retailers present delivery options. Each of the other groups saw the same list of delivery options as the control group combined with a different "nudge," as we tested how best to encourage consumers to choose "3-5 day" delivery instead of "same day" delivery.

## 2,500 REGULAR ONLINE SHOPPERS


SPLIT INTO SEVEN TEST GROUPS


ASKED TO IMAGINE PURCHASING


 **CONTROL**  
"Same day" preselected as point of comparison.

 **DECOY**  
An additional "12-14 day" delivery option to make the "3-5 day" delivery option appear more reasonable.

 **DEFAULT**  
The slowest delivery option (3-5 days) was pre-selected.

 **EMPATHY**  
A picture of a courier and message was added saying:  
*"Hi there, I'm Ricky! I'm one of the couriers who will deliver your item. I just wanted to let you know that the shorter the delivery time is, the more stressful my job becomes. If you can take a little pressure off by choosing 'Standard 3-5 day' delivery, that helps me out!"*

 **ORDERING**  
The delivery options appeared in reverse order, from longest to soonest, keeping the "same day" delivery option pre-selected.

 **RECOMMEND**  
A message added saying,  
*"Standard 3-5 day delivery is recommended by the Good Courier Network, an alliance of delivery providers who commit to responsible working practices for their drivers."*

 **SOCIAL**  
A message was added saying,  
*"Over 80% of people who purchase this item choose the Standard 3-5 day delivery option."*



PRESENTED WITH A RANGE OF DELIVERY OPTIONS

**SAME DAY** ▶▶▶▶  
£6.49

**NEXT DAY** ▶▶▶  
£4.99

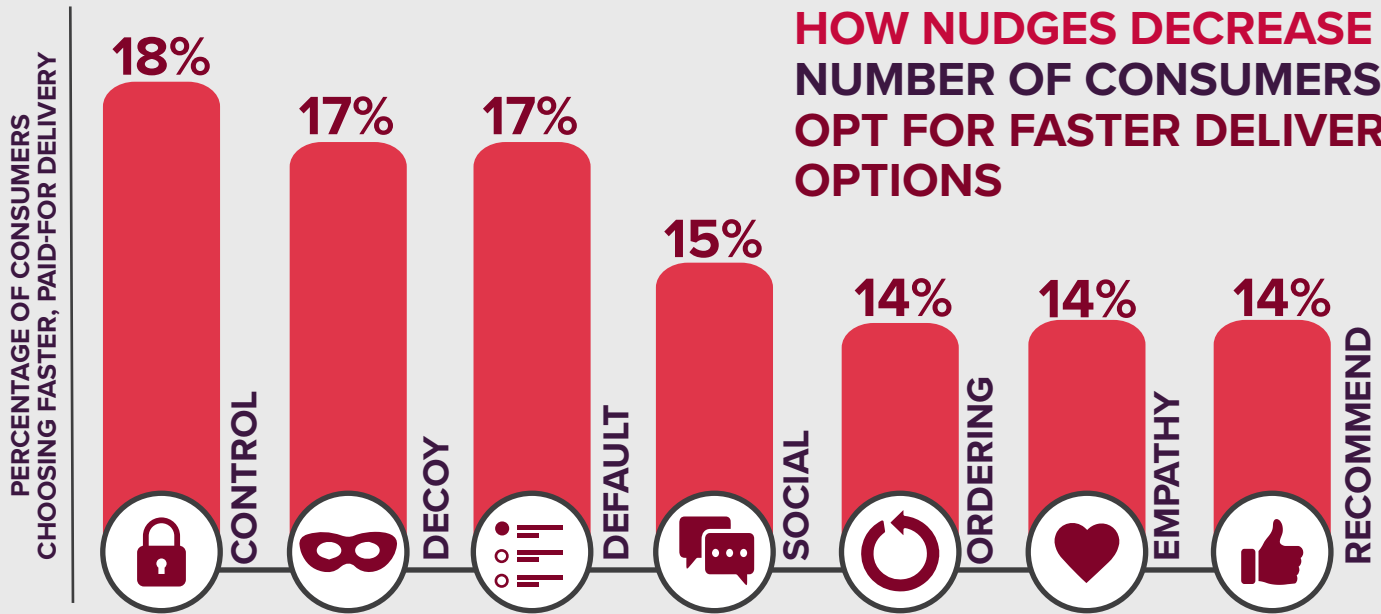
**2-3 DAY** ▶▶  
£1.99

**3-5 DAY** ▶  
FREE

PRESSURE ON COURIERS



# KEY FINDINGS



## HOW NUDGES DECREASE THE NUMBER OF CONSUMERS WHO OPT FOR FASTER DELIVERY OPTIONS

82% of consumers in the control group chose the free, "3-5 day" delivery option. Our experiment then tested how to nudge the remainder to choose "3-5 day" delivery and move away from the quicker delivery options. The experiment revealed the following findings:

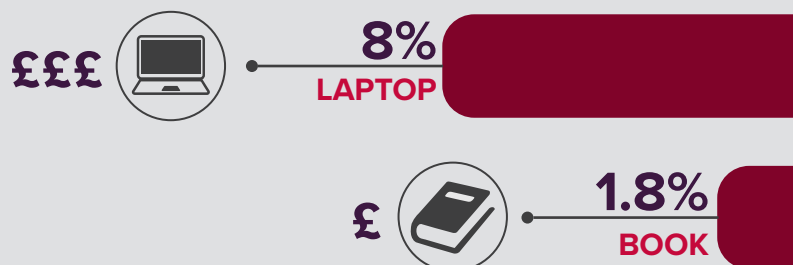
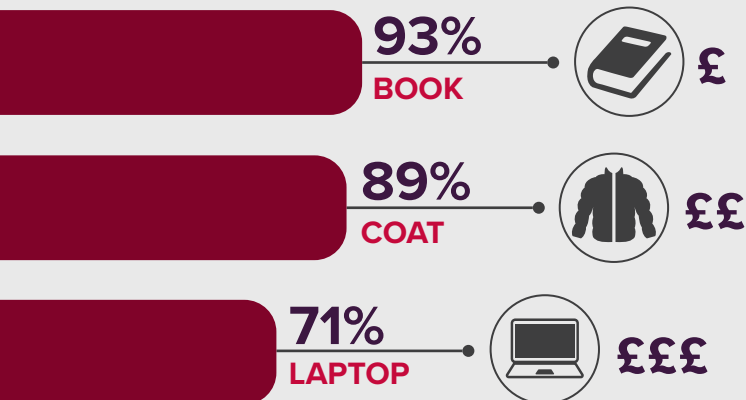
# 1 CONSUMERS WANT MORE EXPENSIVE ITEMS TO ARRIVE SOONER

AS THE ITEM VALUE INCREASES, FEWER CONSUMERS CHOOSE THE FREE DELIVERY OPTION...

...AND MORE CONSUMERS CHOOSE THE SAME-DAY DELIVERY OPTION, EVEN WHEN THEY HAVE TO PAY AN ADDITIONAL £6.49.

PERCENTAGE OF CONSUMERS WHO CHOOSE THE FREE, "3-5 DAY" DELIVERY OPTION

PERCENTAGE OF CONSUMERS WILLING TO PAY £6.49 TO RECEIVE THEIR PRODUCT THE DAY THEY ORDERED IT



# 2

## THE EFFECTIVENESS OF THE NUDGES APPEARS TO BE DEPENDENT ON THE VALUE OF THE PURCHASED PRODUCT

DIFFERENT NUDGES WERE MORE OR LESS EFFECTIVE DEPENDING ON WHAT CONSUMERS WERE BUYING.



MOST EFFECTIVE NUDGE:  
**EMPATHY**

PERCENTAGE OF CONSUMERS WHO CHOSE THE FREE, "3-5 DAY" OPTION WHEN BUYING A LAPTOP

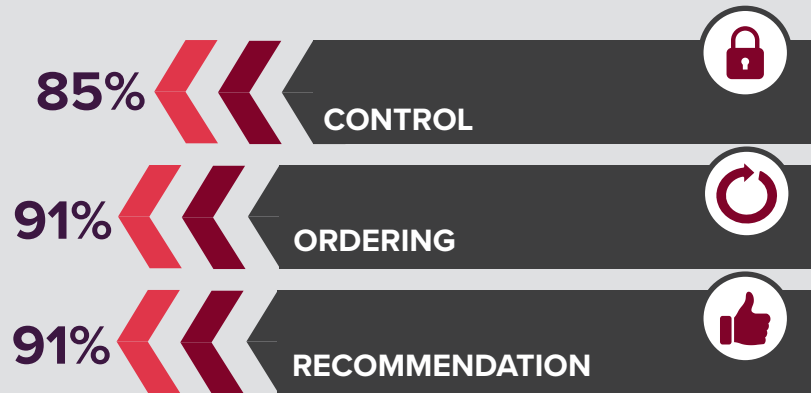


It may be that buying an expensive, long-term investment item such as a laptop triggers more analytical thinking and makes the consumer more receptive to the reasoning in the message from the courier.



MOST EFFECTIVE NUDGES:  
**ORDERING & RECOMMENDATION**

PERCENTAGE OF CONSUMERS WHO CHOSE THE FREE, "3-5 DAY" DELIVERY OPTION WHEN BUYING A COAT



MOST EFFECTIVE NUDGE:  
**NONE**

NONE OF THE SIX NUDGES HAD A STATISTICALLY SIGNIFICANT EFFECT ON THE BOOK.

This is not surprising as it reflects that people are unwilling to pay for smaller value items to be delivered, and this was backed-up by the data.





3

Several nudges that are effective in other contexts, didn't seem to alter consumer behavior.

Some nudges **did not have a significant effect on any of the three products.**

For instance, changing the delivery option that appeared by **default did not significantly alter consumer choice.** This was particularly surprising. Defaults are well-established, powerful nudges in behavioral science and in real world settings. However, in this case, consumers chose to actively move away from the default to select other options.



Across the items, **women were 64% more likely to actively select "standard delivery"** than men when purchasing the book. Compared to **people aged 18-34, people aged 35 and over were 57-80% more likely to choose "3-5 day" delivery.**

4

Consumers who identify as women and are 35 or older were more likely to choose the free, "3-5 day" delivery option.



5

Shoppers may claim to be ethical consumers. That doesn't necessarily reflect in their behavior.

Almost half of the consumers (**48.2%**) said **they agreed or strongly agreed** with the statement:

**"I consider myself an ethical consumer."**

This was particularly relevant in the case of consumers with higher income and younger consumers. However, their behavior showed no difference in actuality from consumers with lower income or older consumers.

# SO, WHAT DOES THIS MEAN FOR A BUSINESS?



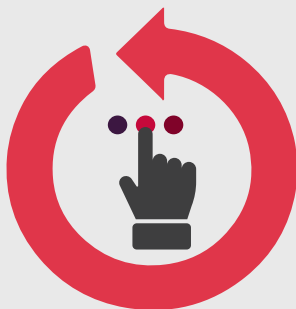
## TAKE-AWAYS

**1** By simply changing the order of how delivery options are presented, retailers can significantly impact the decisions that consumers make.

Changing the order of delivery options led to a decrease in "same day" delivery and a significant increase in "3-5 day" delivery.

For the coat, "same day" delivery dropped from 3% in the control group to 0.8%. And "3-5 day" delivery jumped from 85% in the control group to 91% in the order group.

Changing the order is an inexpensive, easy to implement solution that businesses should consider.



**3** Men and young consumers are less likely to choose delivery options that are better for couriers. We need more research to know how to change that.



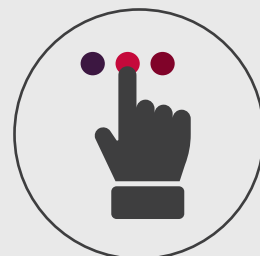
More research could help us better understand how certain nudges could be tailored to different demographic groups, in order to increase the number of consumers who choose the "3-5 day" delivery option.

**2** When the price tag is high, empathy is key.

High-ticket items — such as a laptop, are critical to nudge given their potential impact on couriers (a book may be posted through letterboxes, while a laptop will need a signature). Simply showing a humanizing picture of a courier with a message that encourages consumers to consider how their choice could place a burden on them appeared to trigger a more reflective, analytical thought process that leads consumers to choose a longer delivery window.



**4** Measuring behavior, and not just stated preferences or attitudes, is critical.



In this experiment, participants were fairly likely to describe themselves as ethical consumers, however, this did not correlate to their actual behavior in all cases. We need to look at what people actually do, not just what they say they will do. Focusing on real-world behavior and decisions is the only way of understanding whether our interventions work.

To learn more about what we are doing in the sector of logistics, visit: [shiftproject.org/logistics](http://shiftproject.org/logistics).

To find more information on how we are using behavioral science to improve evaluation of business respect for human rights visit: [shiftproject.org/vrp/behavioral-science](http://shiftproject.org/vrp/behavioral-science).

The project team are keen to deepen this research by testing its validity and replicability in real world retail settings. If you are interested in learning more, please contact: [info@shiftproject.org](mailto:info@shiftproject.org).

## ABOUT SHIFT

Shift is the leading center of expertise on the UN Guiding Principles on Business and Human Rights. Shift's global team of experts works across all continents and sectors to challenge assumptions, push boundaries and redefine corporate practice in order to build a world where business gets done with respect for people's dignity. We are a non-profit, mission-driven organization headquartered in New York City.

 [shiftproject.org](http://shiftproject.org)

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## ABOUT VALUING RESPECT

Valuing Respect Project is a global collaborative platform, led by Shift, to research and co-create better ways of evaluating business respect for human rights. Our aim is to develop tools and insights that can help both companies and their stakeholders focus their resources on actions that effectively improve outcomes for people. Valuing Respect is generously funded by the Ministry of Foreign Affairs Finland, the Norwegian Ministry of Foreign Affairs and Norges Bank Investment Management.

 [valuingrespect.org](http://valuingrespect.org)

## ABOUT WARWICK BUSINESS SCHOOL'S BEHAVIORAL SCIENCE GROUP

The Behavioral Science Group at WBS was founded in 2010, with the goal of linking theoretical and policy challenges in the social sciences with experimental methods and results drawn from the natural sciences. The interests of the group include behavioral and experimental economics, cognitive science, judgement and decision making, and the application of economic methods to social phenomena not generally included within economics. The group has a dedicated state-of-the-art research laboratory, completed in 2011. The group aims to continue its rapid expansion, with the aim of being an internationally leading hub for research in this field. The group works extensively with the public and private sectors.

 [wbs.ac.uk](http://wbs.ac.uk)

