

The fulfilment gap: Why retailers keep losing the sale after they've already won it

Insights from a nationwide census
of UK online shoppers on delivery,
returns and customer service





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Introduction

Retail has reached a point where the gap between what customers expect and what most retailers can reliably deliver behind the scenes is becoming harder to ignore. Speed, availability, easy returns and clear, proactive communication are no longer nice-to-haves, they are increasingly the basis on which customers decide whether to buy from you again.

Advising the board on where to invest and how to maximise on the AI opportunity, working out how legacy systems are holding back the customer experience and deciding which fixes will genuinely move the needle is a considerable challenge for technology and operations leaders alike.

Equally, modernising operational infrastructure is now essential if retailers want to close this gap. Connecting inventory, warehouse, logistics, returns and customer service systems so they share accurate information in real-time is what allows you to deliver the certainty customers expect and make the most of what AI and automation can genuinely offer.

Closing that gap starts with understanding exactly where customers are still experiencing friction today, and why so many retailers are struggling to keep pace with rising expectations.

This in-depth report includes findings from independent research into the attitudes and experiences of 1,000 UK consumers who have shopped online in the past 12 months.

It also includes insights from operations and technology leaders from across the retail technology ecosystem, and Leighton's perspective on where the operational gaps lie, to help you identify where to focus first and how to get there.







Executive summary

Retail customer expectations haven't really shifted. Price is still the number one reason people choose where to shop (68%), but delivery speed, product availability, delivery reliability, easy returns and customer service all continue to shape that choice, and they matter more each year as consumers are given more choice when it comes to spending their money.

What is more surprising is that most retailers still can't consistently deliver on those drivers. Our independent research found that nearly four in five online shoppers (79%) experienced at least one fulfilment problem in the past year. Late delivery was the most common complaint, but shoppers also reported parcels left somewhere unsafe, deliveries arriving early with nobody home, delivery dates changing after purchase and parcels that simply never turned up.

What stands out is that the failure itself often matters less than how it's handled. Almost half of respondents (49%) said poor or non-existent communication was the most frustrating part of delivery problems, well ahead of the 21% who pointed to the delay itself. Customers can live with things going wrong. What frustrates them is a lack of communication and a delay in resolution. Returns tell a similar story. Forty-three per cent of online shoppers returned something in the past 12 months with the biggest criticisms being; paying to send items back (37%), slow refunds (31%), printing labels (25%) and vague communication (21%). Faster refunds are the single change customers want to see most, named by 48% of respondents.

More and more customer support is judged as part of fulfilment rather than a separate function. Shoppers rate getting their issue solved first time (49%) above a fast initial response (38%), and they expect advisors to already know their order history rather than making them repeat themselves.

Customers are ready to trust AI with practical, monotonous jobs like tracking, returns and straightforward support, provided it actually knows what's happening with their order. And that's the catch, AI is only as good as the data and systems behind it, and many retailers are still running on fragmented infrastructure that can't provide a quick and easy answer about where an order is.

The sections that follow dig deeper into each of these findings. They offer insights from senior technology leaders across the industry, our own view on where the gap between expectation and reality comes from and showcase how connected operational foundations have paid off for some of the retailers we've worked with.

Rob Yardy

*Head of Business Development
Leighton*

These figures tell a story:

79%

of online shoppers hit at least one fulfilment issue in the past 12 months

49%

say poor communication is the most frustrating part of a delivery problem, ahead of the delay itself

43%

returned at least one online purchase in the past year, and want faster refunds above all else

49%

would be comfortable using an AI-powered support assistant if it can securely see their order details

Part one: The new customer expectation

Retail customers have never had more choice. Next-day delivery, click-and-collect and real-time order tracking have become commonplace, meaning consumers judge retailers not only on what they sell or how much they charge, but on the confidence they have that an order will arrive on time and as promised.

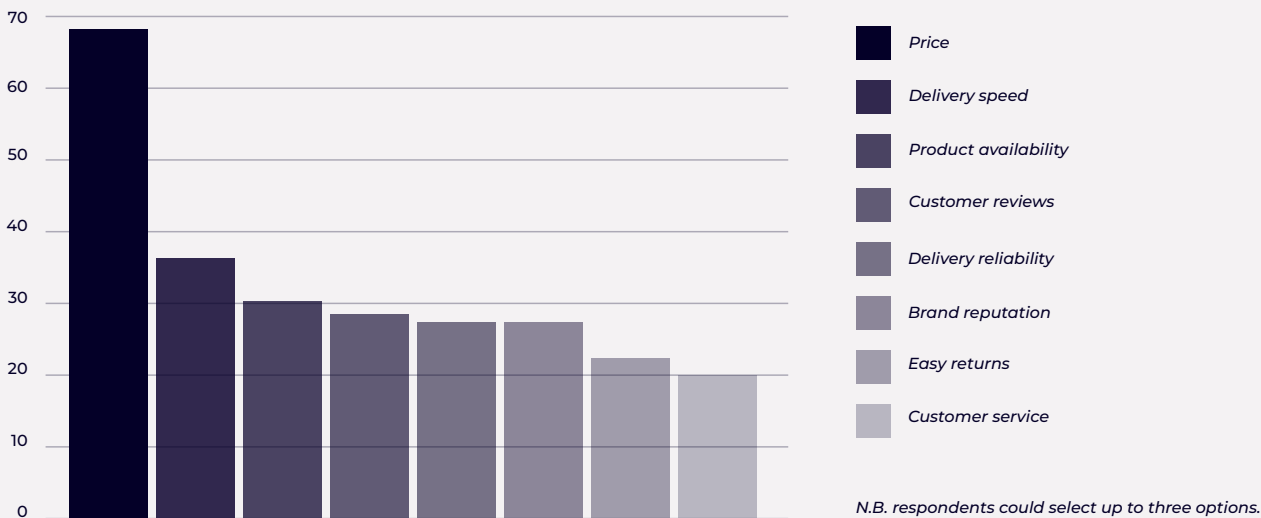
While retailers have traditionally focused investment on the front-end of the customer journey, fulfilment has become an integral part of the customer experience itself.

More than price influences retailer choice

Price remains the biggest purchasing factor (68%), but operational performance also shapes retailer choice.

Over a third (35%) of consumers say delivery speed is one of the most important considerations when selecting a retailer, while almost three in ten (29%) prioritise product availability before completing a purchase. More than a quarter (26%) are influenced by confidence that deliveries will arrive when promised, while easy returns (21%) and customer service (18%) also rank among the most important factors.

Figure 1. When deciding whether to buy from a particular retailer, which three factors matter most to you?



Consumers expect certainty as well as convenience. Meeting those expectations depends on interconnected operational systems, including inventory, warehouse management, logistics and customer service, working together in real-time.

Home delivery remains dominant, but flexibility matters

Despite continued investment in alternative fulfilment models, home delivery remains the overwhelming preference for UK shoppers. Three-quarters (75%) of respondents say they would rather have purchases delivered directly to their home than collect them elsewhere.

However, flexibility still matters. Around one in five consumers (21%) prefer click-and-collect services. Among those choosing this delivery method, 14% would opt for parcel lockers or similar self-service collection points.

Although home delivery remains the preferred option, retailers must now support multiple fulfilment models while ensuring every option performs consistently. That depends on accurate inventory visibility and intelligent order orchestration across stores, warehouses and logistics partners.



There's no one particular reason for the customer fulfilment gap not being addressed. The hard reality is that when you order a product and you're made a delivery promise, a lot of things need to line up pretty much perfectly for that promise to be made and then delivered. Systems, people and process all need to come together to actually make it happen. There are so many fault lines within that process that the reality is that it's really complicated.

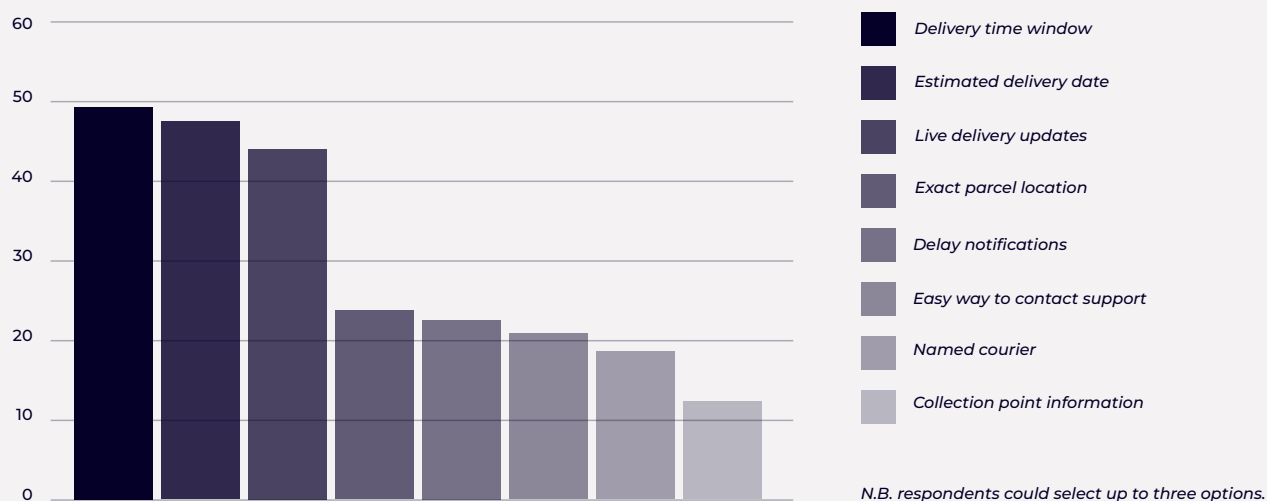
James Hodgson
Partner
PwC

Visibility has become as important as speed

Customer expectations do not end once an order has been placed. Consumers expect continuous visibility throughout the fulfilment journey, reducing uncertainty and providing reassurance that their purchase is progressing as promised.

When asked what information they value most while waiting for an order, almost half of respondents (49%) prioritised receiving a precise delivery time window. A similar proportion (48%) said an accurate estimated delivery date was most important, while 45% wanted live tracking updates showing exactly where their order was during transit.

Figure 2. While waiting for an order, which pieces of information matter most to you?



Accurate delivery windows, tracking updates and estimated arrival dates reduce uncertainty while easing pressure on customer service teams. As customer expectations continue to rise, visibility is becoming a competitive differentiator rather than simply a service enhancement.



It's the likes of Amazon that's driving the level of expectation from customers. Every single day we're using Amazon, and if you have Prime, it just raises your expectation of what you can get and when you can get it... The expectation of delivery and receiving the right goods at the right time is just growing exponentially. In addition, people expect that speed of delivery, alongside full visibility of its journey to them.

Gary Young

*Group Head of Technology
(Development and Testing)
Regatta*

Takeaways

- The post-purchase experience is important; customers evaluate retailers on fulfilment performance as well as price.
- Delivery speed, product availability and reliability now play a significant role in purchasing decisions.
- Customers expect accurate, proactive communication throughout the post-purchase journey, not just at checkout.
- Delivering these experiences consistently requires connected operational systems capable of sharing real-time information across inventory, logistics and customer service.
- Retailers that modernise their foundations will be better positioned to deliver the best experiences and offer transparency to customers.

Part two: Where retailers fall short

Nearly four in five (79%) online shoppers say they have experienced at least one fulfilment issue during the past 12 months, demonstrating that the gap between customer expectations and operational reality remains significant.

While individual delivery problems may appear isolated, they often reflect broader operational challenges. Modern retail fulfilment relies on a complex ecosystem of platforms working together seamlessly. When those systems become disconnected, customers experience missed promises, poor visibility and inconsistent service.

Reliability has become a competitive differentiator

Late delivery remains the most common issue experienced by consumers, affecting more than a third (37%) of respondents over the past year. Although delays are not always within a retailer's direct control, customers rarely distinguish between courier performance and the retailer itself. Their expectation is simple, if a delivery promise is made, it should be kept.

Other fulfilment issues are also common. Almost one-third (32%) say parcels have been left somewhere unexpected or unsafe, while 29% report deliveries arriving significantly earlier than expected, creating inconvenience when nobody is available to receive them. More than a quarter (26%) have experienced delivery dates changing after an order has been confirmed, and over one in five (22%) have had a parcel lost altogether.

Together, these findings demonstrate that reliability extends well beyond moving products from A to B. Retailers need to make accurate commitments and manage supplier relationships to ensure visibility throughout the process and consistent and effective delivery.

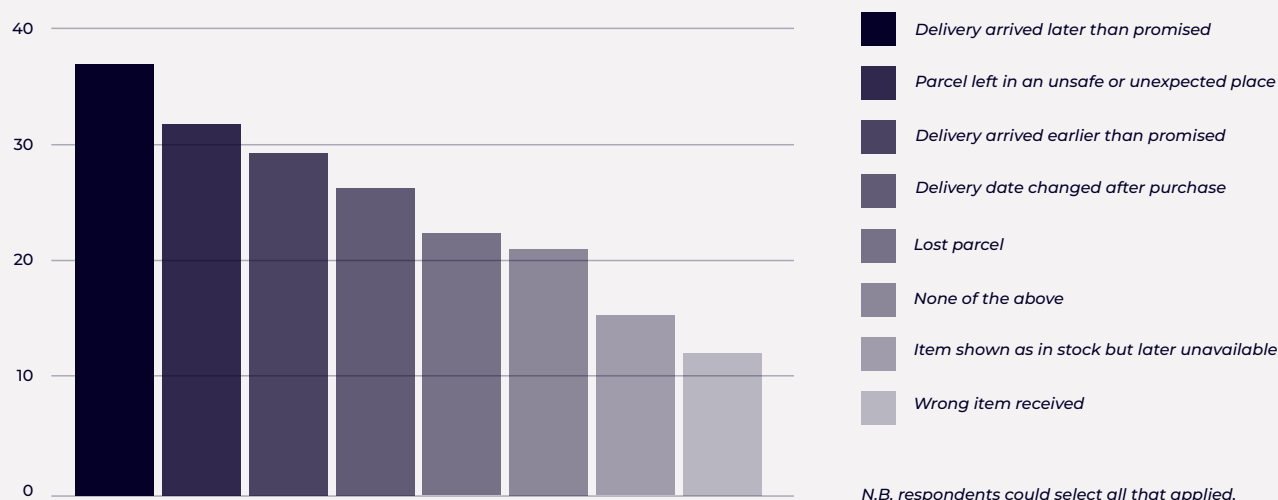


We're operating in a world where we have retailers who've been established for decades if not centuries in some cases, alongside digital-native retailers and all of those in-between. The reality is those long-established retailers, built through investments in people, process and technology over many decades, tend to adapt more slowly than their digital-native counterparts, and that creates a disconnect between customer expectation and operational ability. From a customer perspective, if they can get a level of product, service and experience from one retailer, why can't they get it from them all?

Rick Houghton

*Head of AWS Solutions Architecture UK,
Retail and Consumer Packaged Goods
AWS*

Figure 3. Which fulfilment issues have you experienced when shopping online during the past 12 months?



Visibility and communication go hand-in-hand

Many fulfilment frustrations are not caused solely by operational failures, but by customers being left without clear or timely information about what is happening.

Sixteen per cent of shoppers say they have purchased an item only to discover it was unavailable, while 14% received the wrong product and 12% only part of their order. These problems often originate long before the customer becomes aware of them as a result of fragmented inventory management and delayed warehouse updates.

However, the research suggests that good communication has the greatest influence on how customers judge these experiences.

Almost half of respondents (49%) say poor or non-existent communication is the most frustrating aspect of a fulfilment problem. By comparison, only 21% cite repeated delivery delays themselves as their biggest frustration.

A third of shoppers (33%) are frustrated by difficulty contacting customer support, while the same proportion dislike having to rearrange deliveries. Thirty per cent want more warning before delivery issues occur and 27% highlight

inaccurate tracking information as a significant source of frustration.

Customers recognise that occasional disruption is inevitable. What they expect is transparency, accurate and timely information, the ability to access competent customer support and the confidence that retailers are in control of resolving the issue.

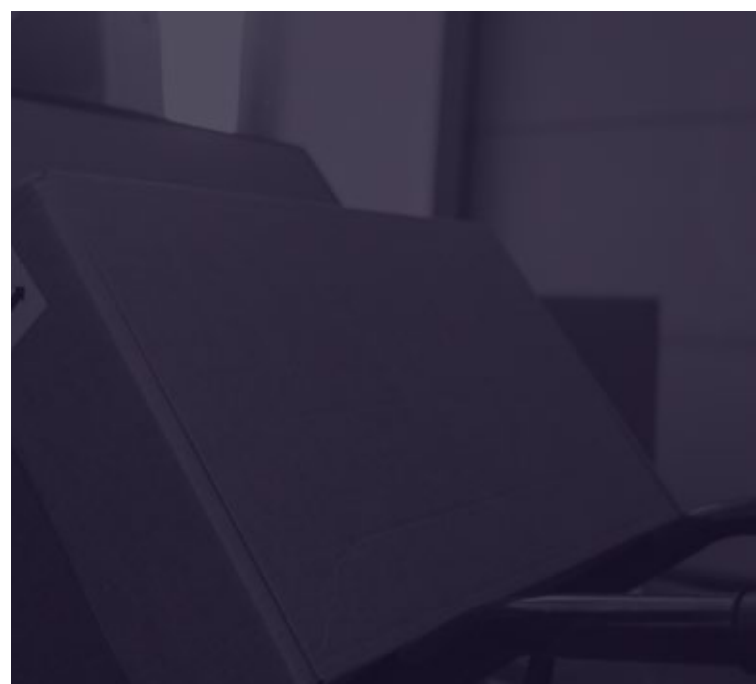
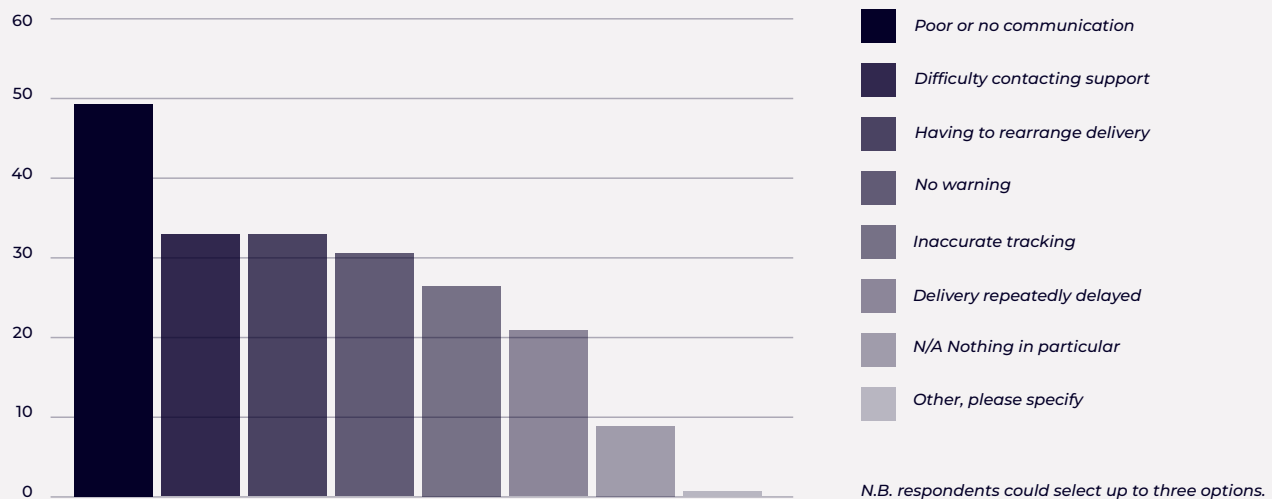


Figure 4. What frustrates you most when something goes wrong with a delivery?



Customers increasingly value certainty

The commercial implications of reliable fulfilment are becoming clearer.

More than one-third (34%) of consumers say they would pay extra for guaranteed delivery reliability, although many also believe this level of service should increasingly be included as standard rather than offered as a premium option.

As a result, retailers that consistently provide accurate delivery promises, clear communication and dependable service are differentiating themselves in a highly competitive market.

Takeaways

- Nearly four in five shoppers (79%) experienced a fulfilment issue in the past year, highlighting the gap between customer expectations and operational performance.
- Reliability is becoming a competitive differentiator rather than simply an operational KPI.
- Customers are often more frustrated by poor communication than by fulfilment problems themselves.
- Accurate inventory visibility, connected order management and real-time operational data are essential to delivering the certainty customers increasingly expect.
- Modern digital infrastructure provides the foundation for automation and AI that improve fulfilment, communication and customer confidence.



Communication is the battleground more than the actual operational reality. People don't really mind when things go wrong. What they hate is when their expectations aren't managed.

James Hodgson
Partner
PwC

Part three: Returns – the operational stress test

For many retailers, the returns journey is where operational capability is tested most visibly.

Customers expect returns to be as straightforward as making a purchase. They want clear instructions, regular updates and prompt refunds, without needing to chase customer service or navigate unnecessary complexity.

Delivering that experience, however, depends on a series of operational processes working together behind the scenes.

Unlike outbound fulfilment, returns require products to move back through warehouses, inventory systems, finance platforms and customer service before a refund or exchange can be completed. Every handoff creates the potential for delays, inconsistent information or manual intervention.

For retailers, returns therefore provide a valuable measure of how effectively their operational infrastructure performs when processes become more complex.

Returns are now part of the customer journey

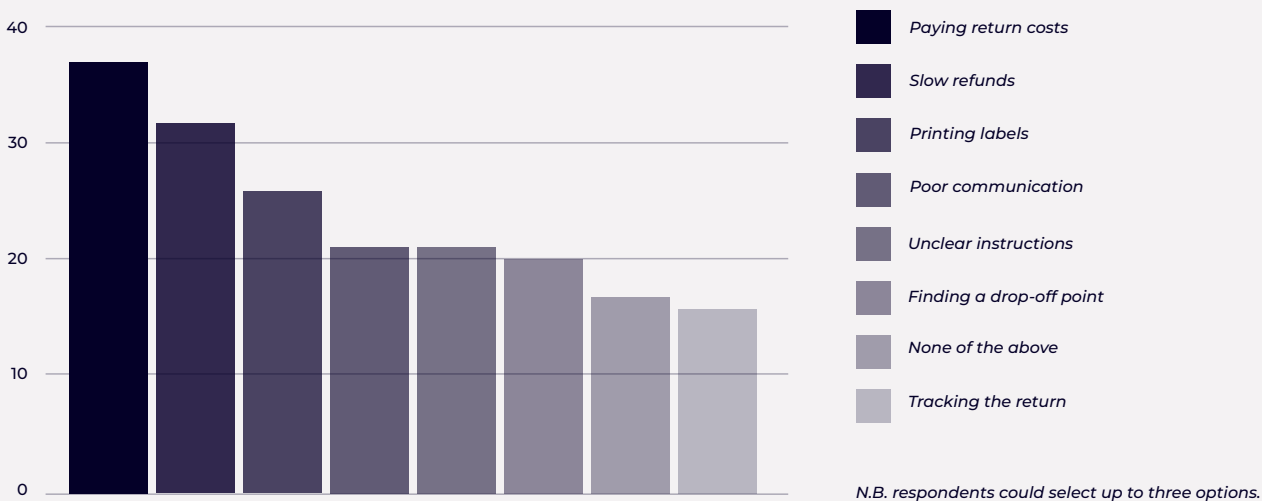
More than two in five (43%) online shoppers say they have returned at least one online purchase during the past 12 months. Returns are particularly common among younger consumers, with shoppers aged 25–34 significantly more likely to return products than those aged 55 and over.

As online shopping continues to grow, customers view the ability to return products easily as part of the buying decision itself rather than something considered afterwards.

For retailers, this presents both an operational and commercial challenge. Returns create additional costs, increase pressure on fulfilment networks and require inventory to flow back through the business before products can be resold. At the same time, the quality of the returns experience shapes customer perceptions of the brand.

Rather than treating returns purely as a cost to manage, retailers have an opportunity to reinforce customer confidence by making the process as seamless as the original purchase.

Figure 5. Which parts of the returns process most frequently cause you frustration?



The research shows that dissatisfaction with returns rarely stems from a single issue. Instead, customers experience a series of small points of friction that make the process feel unnecessarily difficult.

The biggest frustration is paying to return unwanted items, cited by 37% of respondents. While return charges may help retailers manage operational costs, many customers see them as undermining the convenience of online shopping.

Speed is another recurring concern. Almost one-third (31%) say slow refunds are among the most frustrating aspects of returning a product, extending uncertainty long after the item has left their possession.

Operational friction also remains common throughout the process itself. One quarter (25%) dislike printing return labels, while poor communication (21%) and unclear instructions (21%) continue to create confusion.

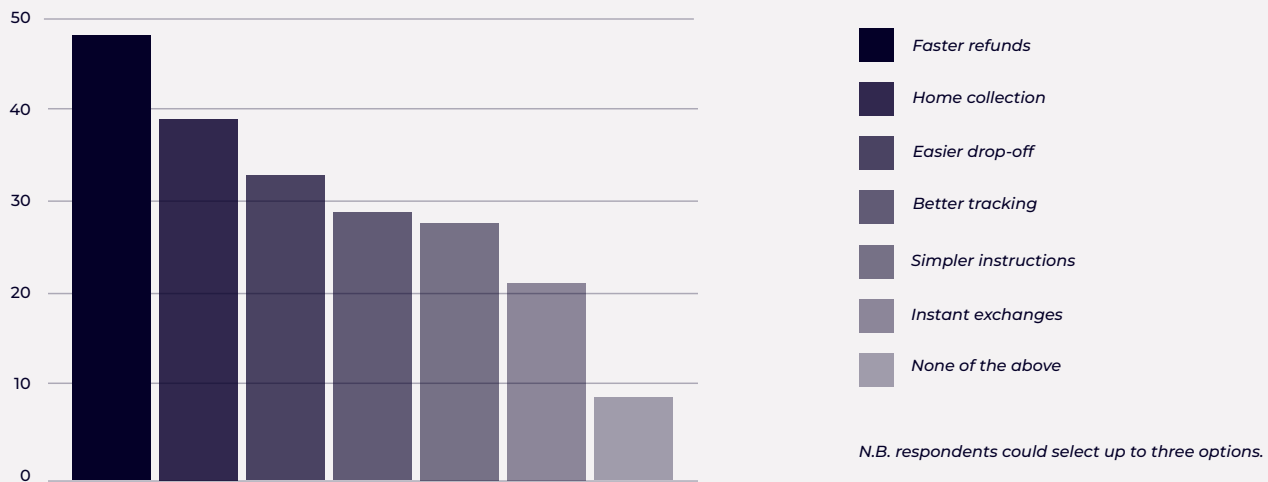
Taken together, these findings suggest customers are looking for simplicity above all else. They expect retailers to make returns straightforward, transparent and easy to follow, with clear communication at every stage.



Returns are a challenge. I don't think I've ever sat in a senior leadership meeting – particularly in fast fashion – where returns were not mentioned. I've talked to another retailer recently, they've already automated their warehouse using more or less the same system we're using at Regatta, and they still have challenges with returns. So, it really is an ongoing balance.

Gary Young
Group Head of Technology
(Development and Testing)
Regatta

Figure 6. Which improvements would most improve the returns experience?



Once a customer has initiated a return, their experience is largely defined by how quickly the retailer can complete the process.

Almost half of respondents (48%) say faster refunds would be the single biggest improvement retailers could make to the returns experience.

For customers, returning an item does not feel complete until their money has been refunded. Delays between a parcel arriving back with the retailer and the refund being processed often generate uncertainty and unnecessary contact with customer service teams.

Returned items may need to be inspected, inventory updated, finance systems reconciled and approval workflows completed before refunds can be authorised. When these processes rely on disconnected systems or manual intervention, waiting times inevitably increase.

Improving refund speed therefore requires more than simply optimising payment systems. It depends on operational platforms sharing information in real-time across warehouses, inventory management, finance and customer service, allowing the entire returns journey to move more efficiently.



Returns aren't technically complex, but there are several points in the process that continue to rely on manual intervention, for example quality control. Is the item that's come back to the warehouse as expected? Currently that's a difficult process to automate but could we in the future with agentic AI? Probably, yes.

Lee Gilmore
Principal Solutions Architect
Leighton

Takeaways

- Returns have become a routine part of e-commerce, with 43% of shoppers returning an online purchase in the past year.
- Customers expect the returns journey to be as seamless as purchasing.
- Frustration is driven by cumulative operational friction, including return charges, slow refunds, unclear processes and poor communication.
- Faster refunds represent the single biggest opportunity to improve the customer experience.
- Connected operational infrastructure enables retailers to streamline reverse logistics, automate returns processing and improve both customer satisfaction and operational efficiency.

Part four: Making the difference with seamless customer support

For customers, whether a delivery is delayed, a parcel goes missing or a refund takes longer than expected, the expectation is that retailers respond quickly, accurately and with full visibility of their order. They do not distinguish between fulfilment, logistics and customer service, instead, they view them as part of one continuous experience.

This reflects an important shift in retail operations. Customer support is no longer simply a reactive function that responds to enquiries after problems occur. Increasingly, it has become an extension of the fulfilment journey, where the quality of service depends not only on the expertise of advisors but on whether they have immediate access to accurate information.

Customers value resolution over speed

Almost half (49%) of respondents say first-time resolution is the most important aspect of customer support, followed by receiving an immediate response (38%). The findings suggest customers value effectiveness over speed alone, particularly when dealing with fulfilment issues that may already have caused frustration.

Nearly one-third (32%) expect support to be available around the clock, reflecting the reality that online shopping takes place outside traditional business hours.

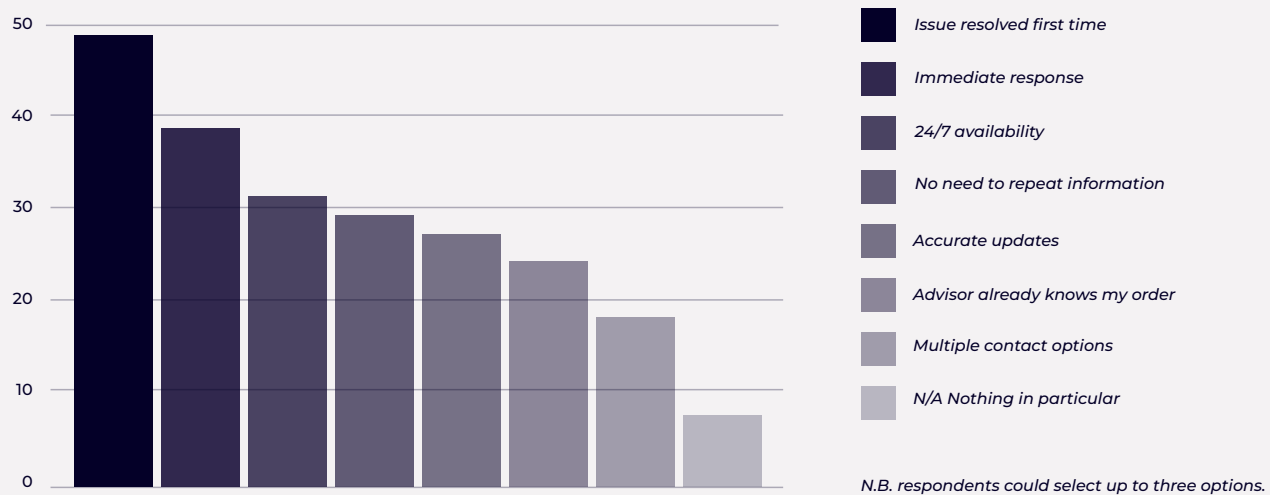
Customers also expect retailers to remember previous interactions. Almost three in ten (29%) say they do not want to repeat information they have previously provided, while a quarter (25%) expect advisors to already know the details of their order before the conversation begins. Meanwhile, 28% say receiving accurate updates throughout the process is an important measure of good customer service.



Customer service is such a good example of where AI is both an efficiency driver but also a growth driver. There's a tendency in the AI narrative for everyone to think it's about efficiency and cost reduction. But actually, this is about having a really powerful suite of AI tools to better manage and serve customers as well.

James Hodgson
Partner
PwC

Figure 7. When you contact customer support, what matters most to you?



Better support starts with better information

Many of the frustrations customers experience when contacting support are caused by advisors lacking immediate access to the information needed to resolve their issue.

A customer will already know what they ordered, when it should have arrived and the updates they have received. Yet the advisor often needs to search across multiple systems to build the same picture, increasing handling times and forcing customers to repeat information they assume the retailer already has.

Providing this level of service depends on seamless integrations behind the scenes across a retailer's network to ensure information is available in real-time. When companies get this right, advisors can spend less time searching for information and more time resolving issues.

Customers receive faster, more accurate responses, while retailers are better positioned to achieve first-time resolutions.



AI-enabled customer service support is great, when it works. We need to remember that fundamentally this part of the journey is about customer retention and human interaction. If it doesn't work well, automating those service interactions could mean losing visibility of a genuinely unhappy customer who just wants to speak to a person.

Rick Houghton

*Head of AWS Solutions Architecture UK, Retail and Consumer Packaged Goods
AWS*

Customers still value people, supported by technology

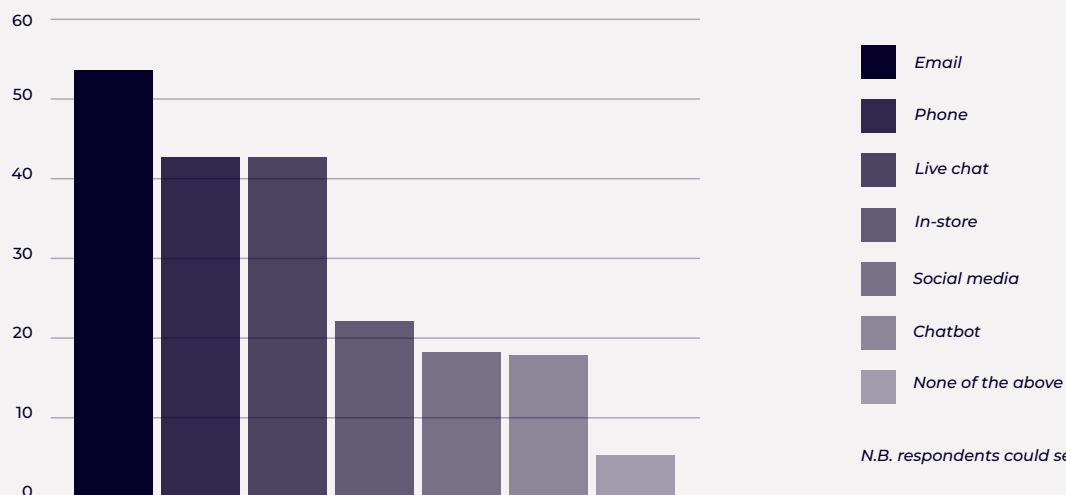
As digital service channels have evolved, customer expectations have shifted, but not necessarily away from human support.

Live chat usage has grown massively, with 42% of shoppers saying they use it when contacting

retailers. Its popularity reflects growing demand for quick, convenient assistance without waiting in telephone queues.

However, traditional channels remain important, particularly when enquiries become more complex. Customers continue to rely on email and telephone support for issues such as missing deliveries, delayed refunds or returns,

Figure 8. Which channels do you typically use to contact the brands you buy from?



N.B. respondents could select all that applied.



where investigation and reassurance are often just as important as speed.

Rather than replacing one channel with another, the findings suggest customers simply expect a consistent experience across the board.

Connected foundations enable smarter support

While live chat is now firmly established, dedicated AI chatbots remain comparatively less popular, suggesting that customers have yet to consistently experience the benefits this type of automation can deliver. The issue is rarely the technology itself, but whether it has access to the information needed to provide useful answers.

Without real-time visibility, automated services risk creating additional frustration rather than reducing it. Conversely, when built on connected operational data, AI has the potential to resolve many routine enquiries instantly. This allows human advisors to focus on more complex or sensitive issues where empathy and judgement remain essential.

Rather than replacing customer support teams, AI is becoming a tool that enables them to deliver faster, more consistent service at scale.

Takeaways

- Customers judge support by whether their issue is resolved effectively, not simply by how quickly they receive an initial response.
- First-time resolution, connected information and personalised service have become core customer expectations, making seamless integration and data sharing across systems essential to performance.
- Live chat is now one of the most commonly used support channels, while email and telephone remain essential for more complex enquiries.
- Delivering seamless customer support depends on connected operational systems that provide a complete view of the customer journey.
- Modern operational infrastructure creates the foundation for AI-enabled support that improves both customer experience and operational efficiency.

Part five: AI can narrow the fulfilment gap

AI and automation offer retailers an opportunity to enhance their operations. Rather than replacing existing processes, AI has the potential to improve visibility, reduce manual effort and provide customers with faster, more accurate updates.

Consumers are starting to recognise this potential. Rather than viewing AI as a novelty, many now see it as a practical tool that can improve the retail experience in meaningful ways.

Customers are open to AI

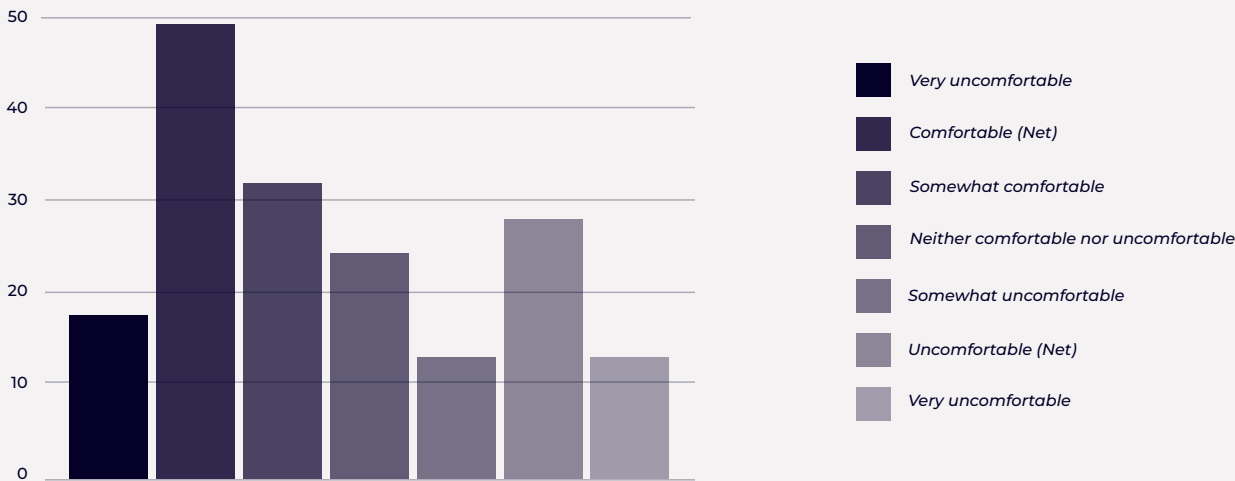
Public discussion around AI often focuses on concerns about automation replacing human interaction. However, the findings suggest customers are far more interested in the outcome than the technology itself.

Almost half (49%) of respondents say they would be comfortable using an AI-powered customer support assistant, provided it could securely access their order information and provide meaningful responses.

This reflects a broader shift in customer attitudes. Consumers appear willing to engage with AI when it helps them resolve straightforward enquiries more quickly.

Trust, however, remains essential. Customers expect AI to handle their information securely, understand the context of their enquiry and provide reliable answers. When those expectations are met, AI becomes another channel for delivering effective customer service.

Figure 9. How comfortable would you feel using an AI-powered support assistant that can securely access your order information?



Customers want AI to solve practical problems

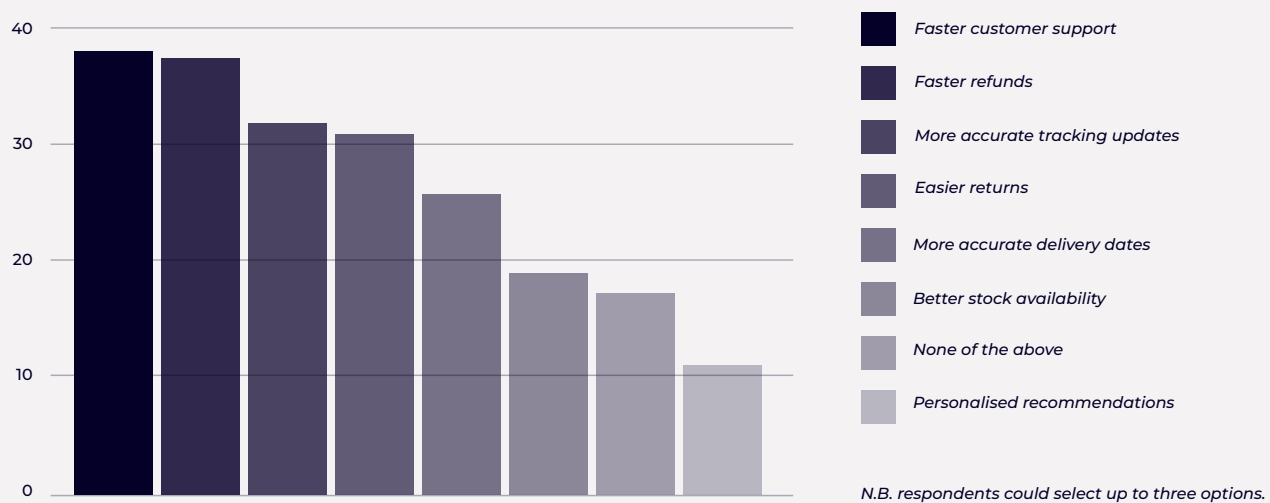
Perhaps the clearest finding from the research is where consumers believe AI can deliver the greatest value.

Rather than prioritising highly personalised shopping experiences, agentic agents or product recommendations, respondents consistently highlighted operational improvements that remove friction after a purchase has been made.

Faster customer support ranks highest, with 38% identifying it as the area where AI could make the biggest difference. However, returns also represent a significant opportunity. More than one-third (38%) believe AI could speed up returns processing, with 31% also thinking it could make returns easier overall.

Consumers also see AI improving fulfilment itself. Nearly one-third (32%) believe it could provide more accurate order tracking, while 26% suggest better delivery date predictions. A further 19% see opportunities for improving stock availability through smarter inventory management.

Figure 10. If retailers could use AI to improve service areas, which would you value most?



We're at a really interesting point in time in that we have a push for AI adoption across all businesses. For retailers, that is sometimes summed up as agentic shopping. They want intelligent shopping, which is quite complicated technically to do, it involves a lot of investment. Realistically perhaps the more tangible opportunities lie behind the scenes.

Lee Gilmore
Principal Solutions Architect
Leighton

Better data creates better AI

While AI offers considerable potential, the research also reinforces an important reality, automation is only as effective as the operational information behind it.

An AI assistant cannot provide accurate delivery updates if fulfilment systems are working with outdated information. Automated returns cannot be accelerated if warehouse operations, inventory records and finance systems remain disconnected. Similarly, predictive inventory tools can only make effective decisions when they are supported by complete and accurate data. Rather than replacing operational infrastructure, AI depends upon it.

Retailers that have invested in their digital products and cloud infrastructure to ensure connected systems and real-time operational visibility are therefore far better positioned to realise the benefits of AI. Those relying on fragmented technology estates risk automating existing inefficiencies rather than solving them.

This highlights an important shift in how retailers should approach AI. Rather than treating it as a standalone innovation initiative, successful organisations are embedding AI within broader technology improvement programmes.

From reactive operations to intelligent fulfilment

Beyond customer service, AI also has the potential to improve the way retail operations function behind the scenes.

Intelligent automation can identify fulfilment issues before they affect customers, prioritise orders based on inventory availability, optimise stock allocation across multiple locations and proactively communicate delivery changes when disruption occurs.

For retailers operating in an ever-competitive market, these capabilities deliver benefits beyond customer satisfaction. They can reduce manual administration, improve operational efficiency and enable organisations to scale without increasing operational complexity at the same pace.

Takeaways

- Nearly half of consumers (49%) are comfortable using AI-powered customer support when it securely accesses accurate order information.
- Customers see the greatest value in AI where it improves operational experiences, including customer support, returns, tracking and delivery accuracy.
- AI is increasingly viewed as a practical tool for improving fulfilment rather than a standalone innovation.
- Successful AI adoption depends on connected systems, trusted data and modern operational infrastructure.
- Retailers that establish these foundations will be better positioned to improve customer experience, increase operational efficiency and support long-term growth.



The big opportunity here is automation. Done right automation can improve accuracy, speed up operations and generally support efficiency. The automation we're currently implementing across one of our warehouses is slated as having 10x the efficiency of the manual alternative and that's just one example. If something can be effectively automated, then do it.

Gary Young

*Group Head of Technology (Development and Testing)
Regatta*

Part six: The cost of getting it wrong

Fulfilment is no longer simply an operational function; it is a defining part of the customer experience.

Customers expect retailers to fulfil orders accurately, communicate proactively, process returns efficiently and resolve issues quickly when problems arise. When those expectations are met, retailers build confidence and encourage repeat business. When they are not, the consequences extend well beyond a single transaction.

Poor fulfilment directly influences customer loyalty, purchasing behaviour and brand reputation. In a competitive market, where switching between retailers has never been easier, every missed promise creates an opportunity for customers to take their business elsewhere.

Poor experiences quickly undermine loyalty

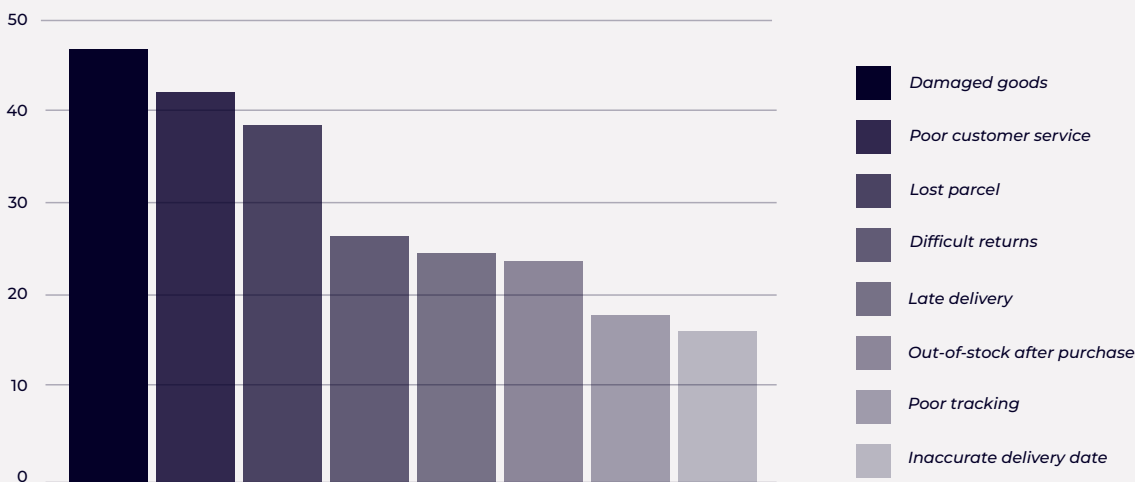
The most damaging experience identified by consumers is receiving damaged goods, with almost half (47%) saying this would stop them buying from a retailer again. This is followed by poor customer service (41%) highlighting that how retailers respond to problems can be almost as important as preventing them.

Lost parcels also have a lasting impact, with 38% saying they would be unlikely to return following this experience. Other operational failures also influence future purchasing decisions, including difficult returns (27%), late deliveries (25%) and discovering that an item is unavailable after purchase (24%).

Notably, almost half of female respondents (47%) say poor customer service alone would prevent them shopping with a retailer again.

These findings suggest customers judge retailers not only by whether something goes wrong, but by how effectively they recover when it does.

Figure 11. Which purchasing problems are most likely to stop you buying from a retailer again?



N.B. respondents could select up to three options.



There are a couple of key points that are within a retailer's control. The first is making sure that the promise is correct in the first place. That means having the right master data, stock visibility, warehouse and logistics visibility, and understanding the end-to-end delivery chain. Then, when it does go wrong, retailers need to focus on how they respond.

James Hodgson

Partner

PwC

Retailers often have just one chance to recover

More than one-third (37%) say they would contact customer support following a poor purchasing experience, indicating that customers are often willing to seek a resolution before making a final judgement. However, a similar proportion say they would simply purchase from another retailer (34%), while one-third (33%) would stop shopping with the retailer altogether.

The findings highlight how easily loyalty can be lost. With consumers able to compare prices, products and delivery options in minutes, retailers often have only one opportunity to recover from operational failures.

This makes the quality of customer support, speed of resolution and clarity of communication important, not only for resolving issues, but for protecting future revenue.

Poor fulfilment damages more than a single sale

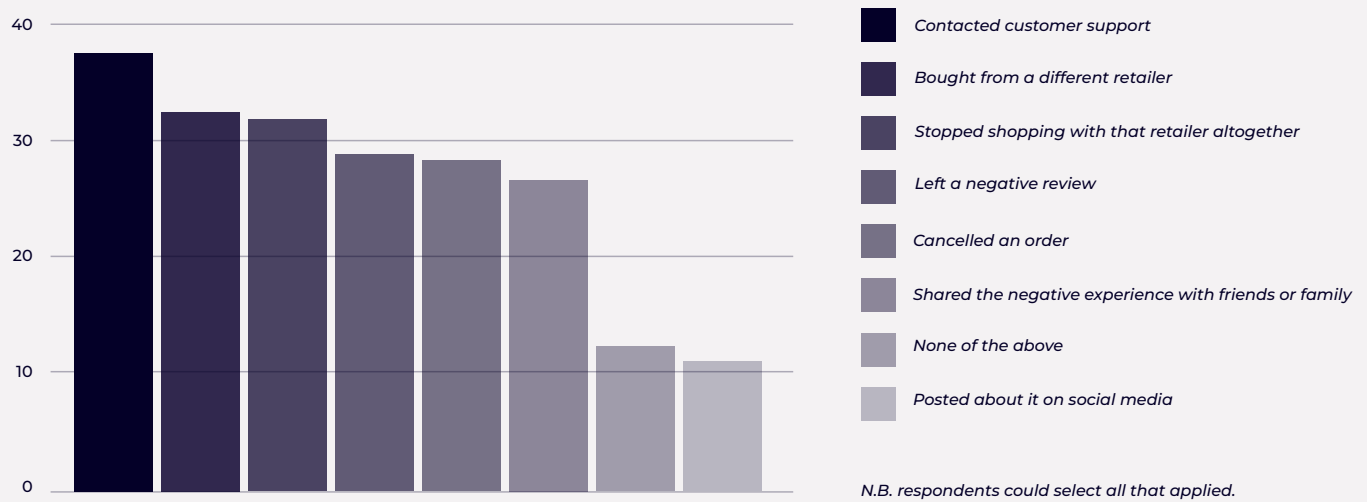
The commercial impact of fulfilment failures extends beyond the individual customer.

Almost three in ten respondents (29%) say they have left a negative review following a poor purchasing experience, while 26% have recommended against a retailer by sharing their experience with friends and family. Equally, more than one in ten (12%) have taken those experiences to social media, increasing the visibility of operational failures far beyond the original transaction.

The financial impact can also be immediate with more than a quarter (28%) saying they have cancelled an order following a poor purchasing experience.

These behaviours show that fulfilment failures rarely end with the original incident. They can reduce repeat purchases, influence future buying decisions and damage brand reputation through customer advocacy, or the lack of it.

Figure 12. After a poor purchasing experience, which of the following have you done?



Agentic commerce is a genuinely new challenge to how retailers currently operate, and an equally genuine opportunity for those who can prepare. If retailers don't get ready for agentic shopping, they risk becoming invisible to customers because they're invisible to agents; that would significantly lower the return on years of loyalty and UX investment.

Rick Houghton

Head of AWS Solutions Architecture UK, Retail and Consumer Packaged Goods
AWS

Better operations protect future growth

Investing in inventory accuracy, connected fulfilment, responsive customer support and efficient returns is therefore no longer solely about improving operational performance. It is about protecting customer relationships, strengthening brand reputation and supporting long-term growth.

Every improvement that reduces friction throughout the post-purchase journey helps build customer confidence. Equally, every missed delivery, delayed refund or poor service interaction increases the risk of customer churn, additional service costs and lost revenue.

As competition continues to intensify, retailers that consistently deliver reliable post-purchase experiences will be better positioned to retain customers and differentiate themselves in an increasingly crowded market.

Takeaways

- Fulfilment performance now has a direct impact on customer loyalty, repeat purchasing and brand reputation yet many brands have not effectively capitalised on this connection.
- Damaged goods, poor customer service and lost parcels are the experiences most likely to drive customers away.
- Many customers will give retailers one opportunity to resolve an issue, but poor handling often results in switching to competitors.
- Operational failures influence purchasing decisions through reviews, recommendations and social media.
- Investing in connected operational infrastructure is no longer simply an efficiency initiative, it is a strategic investment in customer retention, revenue protection and sustainable growth.



Part seven: The Leighton viewpoint

Retailers are investing in the wrong problem

Retailers do not simply have a fulfilment technology problem. They have a technology investment problem centred around knowing what to modernise, where to build, where to buy, and where to access specialist expertise.

One of the clearest examples is the rush to build proprietary shopping agents. Almost every retailer we speak to is asking some version of the same question, “how do we build an agent that shops on behalf of our customers?” In our view, that is the wrong question.

Most retailers will never out-invest the hyperscalers building the AI and logistics infrastructure behind agentic shopping. Trying to do so is an expensive way of arriving at a worse version of something a technology platform is already building anyway.

Retailers do not need to compete with them; they need to work with them. The winners will not be those that build or buy the most technology, but those that make sharper decisions about where to invest. With 79% of UK shoppers reporting a fulfilment problem in the past year, according to our own research, the returns on getting the fundamentals right are likely to be greater than the returns on being first to launch a shopping agent.

The strategic asset is not necessarily the agent itself. It is the infrastructure, data and capabilities that make the retailer accessible to the customer and to whatever technologies sit between them.

Retailers should be preparing for a future in which customers, platforms and AI agents need to discover products, check availability, place orders and access fulfilment information. Businesses that can surface reliable data and services to those ecosystems will be better positioned than those that have spent years creating closed experiences that are difficult to connect to.

Build strategically, not indiscriminately

The most successful technology strategies will not follow a simple build-versus-buy model.

Building a genuinely differentiating part of the stack rarely means building it alone. Even the most valuable bespoke platforms benefit from experienced engineering partners who have solved similar problems elsewhere.

The strategic challenge is deciding where standard technology is sufficient, where modernisation is required, and where building or commissioning something new will create a meaningful advantage.

That makes incremental modernisation particularly important. Retailers do not need to replace every legacy system to become more competitive. Often, the most effective approach is to modernise the areas creating the greatest friction, improve the flow of information between existing systems, and progressively introduce new capabilities.

The objective should not be technology replacement for the sake of it. It should be a more flexible architecture that allows the business to evolve without continually rebuilding the estate around it.



AI will expose weak operations, not fix them

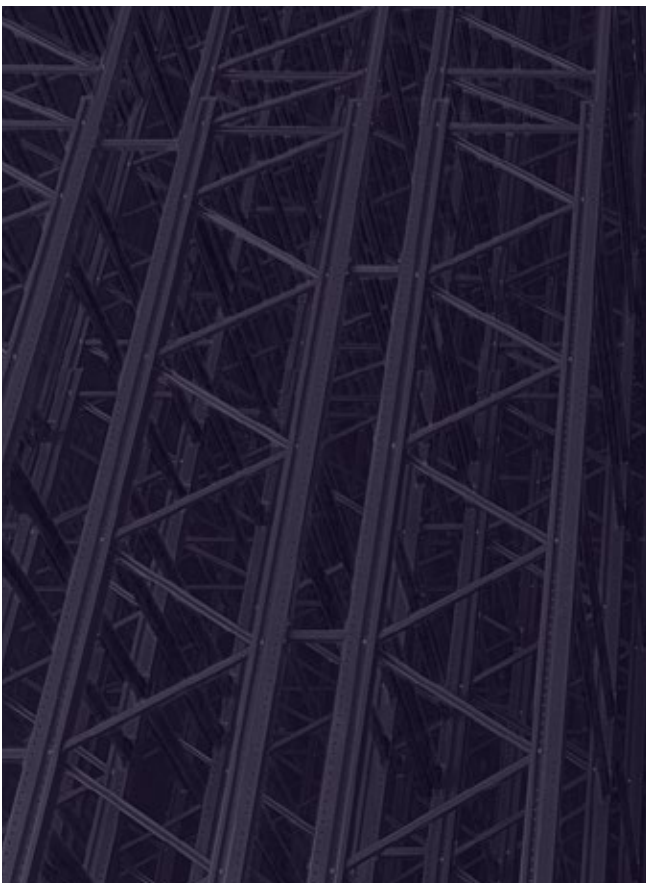
AI is being positioned as the next great transformation in retail. In reality, it is likely to expose operational weaknesses first.

An AI assistant with access to fragmented, inaccurate or delayed information does not create a better experience. It creates a more convincing version of the wrong answer. Our research found that customers are often more frustrated by poor communication than by the underlying failure itself. Applying AI on top of disconnected systems will not solve that loyalty problem, it will simply make the miscommunication faster.

Generative AI is not a substitute for modern operations; it is a multiplier. If the underlying business is connected, responsive and well governed, AI can accelerate decisions, automate routine work and improve the customer experience. If the business is fragmented, AI accelerates confusion.

The objective should not be to deploy a chatbot, agent or automation because competitors have already done it. It should be to identify specific decisions, processes and customer interactions where AI can create measurable commercial advantage. Often, the greatest opportunities are behind the scenes; better order and returns communication, faster issue resolution, improved inventory visibility and smarter fulfilment decisions.

The question is not, “Where can we use AI?” It is, “Where can AI materially improve the way we operate or serve customers?”



Modernisation is not a one-off programme

New AI platforms, agent ecosystems, automation tools and specialist fulfilment services will create more choices for retailers, not fewer. The next generation of retail leaders will be defined by architectural discipline. They will modernise the parts of the estate holding them back, build where there is a genuine need to own a capability, and partner where specialists have the advantage. The goal is not a perfect technology architecture. It is an architecture that can continue to evolve.

At Leighton, our view is that technology strategy should start with a tougher question than, “What should we build?” It should start with: “What are we trying to be better at than anyone else, and what capabilities will allow us to do that?” Only then can retailers make informed decisions about what to retain, modernise, build, buy or partner for.

The strategic advantage will come from better choices

The retailers that win will not be those with the largest technology estates or the most ambitious AI strategies. Nor will they be those that outsource every non-core capability and hope the ecosystem works itself out. They will be the ones that are honest about where complexity is genuinely getting in the way, and where it is simply the cost of doing something that matters.

The goal is not to build less technology. It is to build the right technology, buy the right technology as a service, and partner when needed.

Own what makes you distinctive. Modernise what holds you back. Partner where the market can do it better. And fix the foundations before adding intelligence.

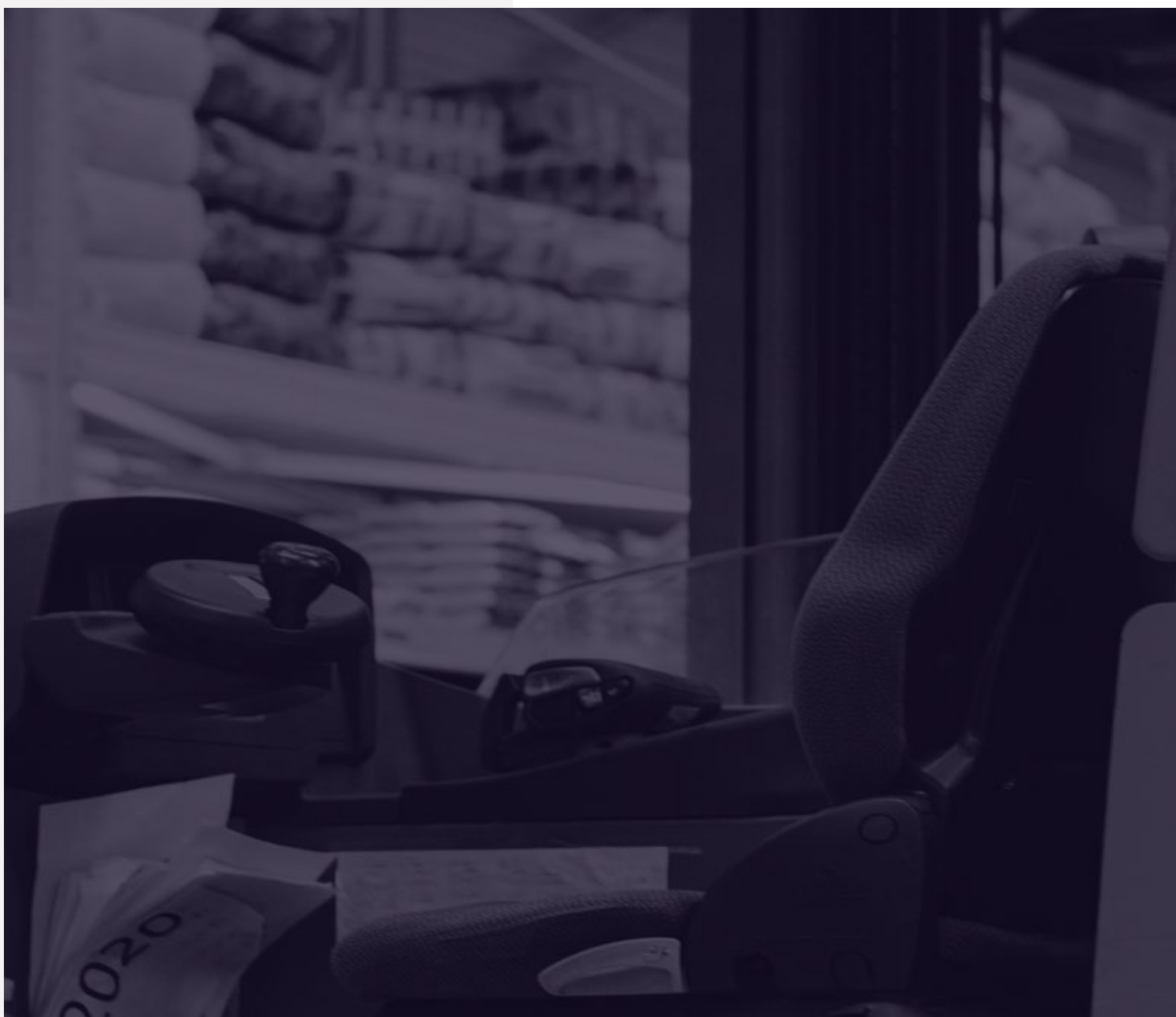
That is the discipline that will separate AI theatre from genuine innovation, and expensive technology accumulation from technology that creates lasting commercial advantage.



Part eight:

Leighton's work

At Leighton, we have worked with retail leaders to solve complex operational challenges and develop industry-leading digital platforms that deliver seamless fulfilment experiences for customers while improving efficiency, visibility and scalability behind the scenes.



Case study one: Scaling fulfilment with a cloud-native Order Management System (OMS)

IAG Loyalty Retail (IAGLR) is responsible for the e-commerce ecosystem behind Avios. As that ecosystem continued to expand, IAGLR needed an order management system capable of supporting increasing order volumes, multiple storefronts and a growing network of fulfilment partners.

Its existing order management processes relied on fragmented integrations, batch-based workflows and significant manual intervention. As the business grew, these limitations made it more difficult to scale operations efficiently, while reducing visibility across the fulfilment journey and increasing operational complexity. This was also having a direct impact on customer experience post-purchase.

Leighton partnered with IAGLR to design and deliver a fully serverless OMS built specifically for high-volume, multi-brand e-commerce.

Using AWS-native serverless technologies and an event-driven architecture, the new platform orchestrates orders in real-time, intelligently routes fulfilment requests to the appropriate third-party logistics (3PL) providers and provides a single, trusted view of every order throughout its lifecycle. This also ensures easily accessible, accurate order information allowing customer service to more quickly provide order status updates as required.

By modernising the operational foundations behind fulfilment, IAGLR has been able to automate previously manual processes, improve operational visibility and create a scalable platform capable of supporting future growth across the wider Avios retail ecosystem.

Rather than simply replacing an existing system, the programme established a modern operational platform that enables the business to onboard new brands and fulfilment partners more efficiently while improving resilience and reliability. The new platform reduced technical debt and offers a great customer experience without sacrificing quality or stability.

Results

- An OMS delivered in just four months, compared with an initial two-year internal project expectation, enabling IAGLR to realise value significantly sooner.
- Elastic, serverless architecture capable of handling 2,000+ daily orders and scaling seamlessly as order volumes and the wider Avios retail ecosystem grow.
- Fully automated order fulfilment, from order placement through to delivery, with real-time monitoring and intelligent routing to the appropriate 3PL.
- Modular, platform-agnostic architecture enabling IAGLR to onboard new brands, storefronts and fulfilment partners quickly and consistently.
- Greater operational control and visibility through a single source of truth for order data, reducing reliance on 3PLs and providing richer insight into fulfilment performance, product demand and returns.
- Improved customer experience through more accurate, accessible order information, enabling customer service teams to provide faster and more consistent status updates.

IAG Loyalty 

Case study two: Transforming inventory management and customer experience at scale

British Airways operates one of the largest travel retail businesses in the UK, selling food, drink and duty-free products to millions of customers a year across its global fleet. Its onboard experience spans catering, inventory management and in-flight operations, but as its offering has evolved, the underlying technology landscape became increasingly fragmented, with multiple legacy systems, suppliers and internal teams involved in planning and delivering the onboard experience, limiting its ability to operate with the consistency expected of a modern airline retailer.

This fragmented ecosystem made it harder to manage onboard inventory efficiently, collaborate across teams and consistently meet passenger expectations. Limited integration between systems also created operational complexity and reduced visibility of what products were available, where they were needed and how passenger demand could be better served.

Leighton partnered with British Airways to provide strategic leadership across a £15m digital transformation roadmap. Working closely with stakeholders, Leighton assessed the existing technology landscape and defined a clear, executable strategy to simplify the ecosystem, modernise legacy applications and better connect technology investment with operational and customer-experience priorities.

Under Leighton's guidance, British Airways introduced a centralised onboard inventory platform, alongside the replacement of legacy applications and improvements to the wider IT infrastructure. The new approach streamlined how onboard products are planned, stocked and managed, while enabling cabin crew to capture passenger orders digitally during flights.

By connecting previously fragmented systems and processes, British Airways gained greater visibility and control over onboard inventory, helping teams and third-party partners work from more consistent and accurate information. This has enabled the airline retailer to better align product availability with passenger demand, while reducing manual effort and improving the efficiency of onboard operations.

The transformation demonstrates how modernising the technology foundations behind customer-facing services can deliver benefits beyond the technology itself. By creating a more integrated and scalable operating model, British Airways can improve the availability of products passengers want, reduce waste and create a stronger foundation for more personalised onboard retail experiences in the future.

Results

- Centralised onboard inventory management, generating significant time, resource and cost efficiencies.
- Estimated £500k annual saving through reduced food wastage.
- Improved customer experience through more equitable product availability.
- Replacement catering system rolled out across 70+ catering stations worldwide.
- Greater governance, ownership and visibility across British Airways' onboard ecosystem.
- Ability to capture passenger value and preference data, creating a foundation for more personalised offerings in future.



Part nine: Conclusion:

The hidden competitive advantage

Throughout this report, one theme has emerged consistently, customer expectations have not fundamentally changed, however retailers are still not yet maximising on the opportunities in front of them. Retailers are no longer judged solely on the products they sell or the prices they offer. Instead, customers evaluate the entire post-purchase experience, from the accuracy of delivery promises and stock availability through to the ease of returns and the quality of customer support when something goes wrong.

These expectations are unlikely to diminish. As consumers become accustomed to faster fulfilment, greater transparency and more personalised service, certainty has become a defining characteristic of a positive retail experience. Customers expect retailers to deliver what they promise, keep them informed throughout the journey and resolve issues quickly when disruption occurs.

Effectively meeting these expectations requires far more than investing in websites, apps or customer-facing digital experiences. While these remain important, the research suggests that the quality of the customer experience is also determined by the operational systems working behind the scenes.

Throughout the report, fulfilment failures, stock inaccuracies, communication gaps, slow returns and fragmented customer support all point towards a common challenge – disconnected operational infrastructure.

As retail operations have become more complex, involving multiple fulfilment locations, logistics partners and technology platforms, the ability to share accurate information across those systems has become just as important as moving products themselves. This presents both a challenge and an opportunity.

Retailers that continue to rely on fragmented technology estates and disconnected operational processes risk increasing operational complexity while falling further behind rising customer expectations. Conversely, organisations

that prioritise connected operations, real-time visibility and accurate operational data are better positioned to deliver the reliability, transparency and flexibility that customers value.

The findings also demonstrate that operational capability is no longer simply an efficiency initiative. It has become a driver of customer loyalty, revenue protection and long-term competitiveness. Every improvement in inventory accuracy, fulfilment visibility, returns processing and customer support contributes to stronger customer confidence. Equally, every operational failure creates opportunities for customers to switch retailers, share negative experiences and reduce future spending.

Importantly, these operational foundations also determine how successfully retailers can adopt emerging technologies such as AI. Through the research, consumers identified opportunities for AI to improve customer support, returns, tracking and delivery updates. However, these benefits depend upon accurate, connected operational data. AI cannot compensate for fragmented systems or poor information quality, but it can amplify the strength of the foundations already in place.

For retailers, the priority is therefore not simply adopting new technologies, but ensuring the underlying operational infrastructure can support them.

The hidden competitive advantage in retail is increasingly found not in the experiences customers see, but in the operational capabilities they rarely notice. The retailers that modernise these foundations will be better equipped to deliver certainty at every stage of the customer journey, adapt to changing consumer expectations and build more resilient, efficient businesses for the future.





About Leighton

At Leighton, we help retailers modernise the operational foundations that power exceptional customer experiences. From digital product engineering and cloud enablement to AI and intelligent automation, we work alongside organisations to simplify complex technology landscapes and deliver practical solutions that improve fulfilment, customer service and operational performance.

Our approach combines deep technical expertise with a strong understanding of modern retail operations, enabling clients to move confidently from strategy and discovery through to implementation and continuous improvement. Whether integrating critical systems, modernising cloud infrastructure or identifying practical AI opportunities, our focus is always on delivering measurable business outcomes that deliver genuine value for money.

For more information about Leighton's services, please scan the QR.



If you'd like to talk to us about the challenges you're facing, whether it concerns cloud modernisation, identifying practical use cases for AI or developing and integrating complex systems, then we'd love to hear from you.

*Please contact our Head of Business Development
Rob Yardy: rob.yardy@leighton.com.*

