

# AGE COMPLIANCE REGULATORY LANDSCAPE

Understanding Amazon Age  
Verification Across the UK

November 2024

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Regulatory Landscape | November  
2024 | Version 1 | Internal/Client Use  
Only



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# AMAZON AGE VERIFICATION OVERVIEW

## Mystery Shopping Program Aim



Ipsos Mystery Shopping aims to assess the age verification process undertaken by Amazon drivers when delivering age-restricted products to customers under the age of 25—razors, vape products, knives, and alcohol.



# METHODOLOGY



## Benefits of Age Verification

Age verification offers numerous benefits to businesses beyond simply complying with legal regulations.

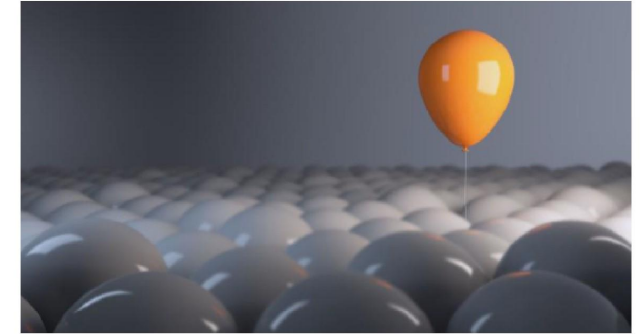
It enhances security by ensuring that only authorised users can access age-restricted products, content or services.



## Our Approach

Ipsos has been running the Amazon UK Age Verification programme since March 2023, conducting 50,011 assessments to -date (November 2024).

Young adults under the age of 25 purchased age-restricted products, to track if they were asked for identification at the point of purchase (in Amazon competitor stores) or upon receipt for home delivery.



## Competitor Mix

From January to September 2024, seven competitors were audited in total –5 retailers offering in-store and home delivery services, 1 online retailer and a 3<sup>rd</sup> party home delivery grocery service.

85% of product purchases were online/home delivery and 15% were in-store.

# EXECUTIVE SUMMARY

## KEY FINDINGS



- 1 **Compliance improves later in the day**, with the highest compliance rates seen in the evening, and from our data we can see most Amazon deliveries occur in the afternoon and evening.
- 2 England has the highest compliance rates, while **Northern Ireland** exhibits the lowest with a **significant drop in Q3**.

## SO WHAT?



- 1 Understanding compliance trends throughout the day allows Amazon to **allocate resources more effectively**. By optimising delivery schedules, Amazon can enhance compliance rates, thus reducing potential legal issues.
- 2 **Regional disparities** in compliance highlight the need for tailored strategies. Low compliance in Northern Ireland could **expose Amazon to increased scrutiny or penalties**, necessitating targeted interventions to safeguard operations.

## NOW WHAT?



- 1 **Leverage Additional Data Sources:** Examine whether compliance is impacted by elements such as delivery volumes and distribute workload accordingly. E.g., are drivers with higher volume of deliveries less compliant than those with fewer?
- 2 **Region-Specific Training:** Customise training programmes to address specific challenges faced in low-compliance areas, incorporating local laws and cultural nuances. Engage with local communities to understand barriers to compliance and adapt training strategies accordingly.

# EXECUTIVE SUMMARY

## KEY FINDINGS



- 3 **Knives have the highest compliance rate** at 88%, and **compliance is generally better for retail locations** compared to Morrisons and Fresh.

## SO WHAT?



- 3 Variations in compliance across product types and delivery locations suggest specific areas for improvement. **Addressing these inconsistencies** is essential to ensure uniform compliance and **avoid legal risks** associated with particular products.

## NOW WHAT?



- 3 **Product-Specific Guidelines:** Develop detailed guidelines for handling and delivering each type of age-restricted product. This should focus on the packaging codes on each of the items ensuring drivers understand the importance of compliance for each category.

**Brand Consistency:** Work with Delivery Stations for when they are delivering Morrisons or Fresh products to align compliance strategies and share best practices, ensuring consistency across delivery locations.

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# COMPETITOR AGE VERIFICATION OVERVIEW

# COMPETITOR INFORMATION

**A**

**Major Grocery Retailer**

In-store & home delivery

30 Assessments

**B**

**3<sup>rd</sup> Party**

Home delivery

45 Assessments

**C**

**Major Grocery Retailer**

In-store & home delivery

30 Assessments

**D**

**Major Grocery Retailer**

In-store & home delivery

30 Assessments

**E**

**Major Grocery 3<sup>rd</sup> Party**

Home delivery

60 Assessments

**F**

**3<sup>rd</sup> Party**

Home delivery

60 Assessments

# Competitors' compliance is higher for in-store purchases than delivery in Q3

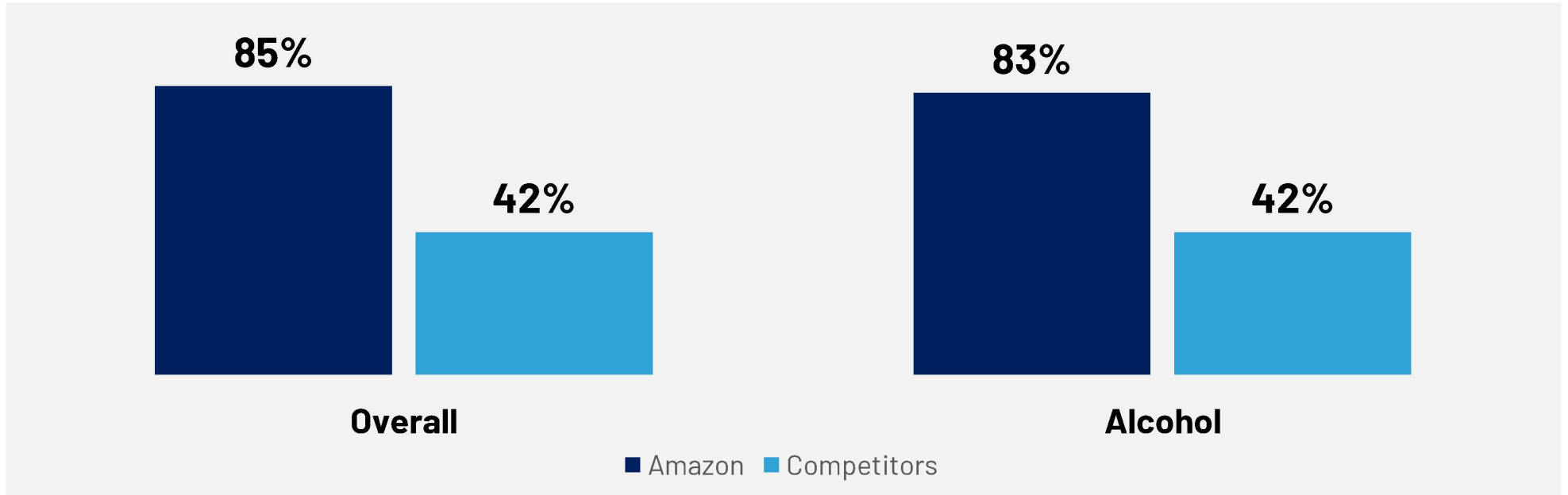
Based on the six competitors that we Mystery Shopped, compliance for in-store purchases are notably higher than delivery.

However, Amazon exclusively offers delivery purchases in the UK—we will look at delivery purchases *only* going forward.



# Amazon overall compliance was twice as high as competitors' when delivering age-restricted products in Q3

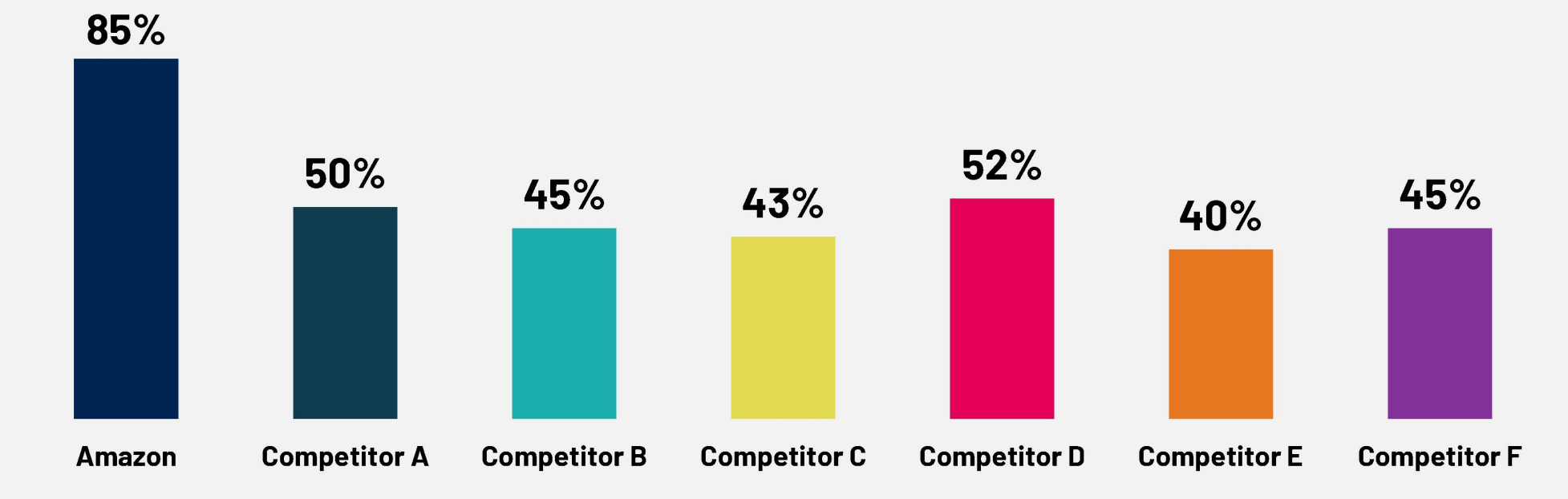
## Amazon vs Competitors Compliance (%) – Q3



Bases for Delivery Products Q3: Overall - Amazon = 7720, Competitors = 255; Alcohol - Amazon = 3899, Competitors = 236

# Amazon achieved the highest compliance, followed by Competitor D – other competitors lagging further behind

## Compliance (%) for Amazon vs Six Competitors – Q3



Bases for Delivery Products: Amazon = 7720, Competitor A = 30, Competitor B = 45, Competitor C = 30, Competitor D = 30, Competitor E = 60, Competitor F = 60



# Although, Amazon compliance levels can still be improved.

*Compliance Goal:* The goal is **responsible sales**, so Amazon should aim for **100% compliance**.

# AMAZON AGE VERIFICATION OVERVIEW

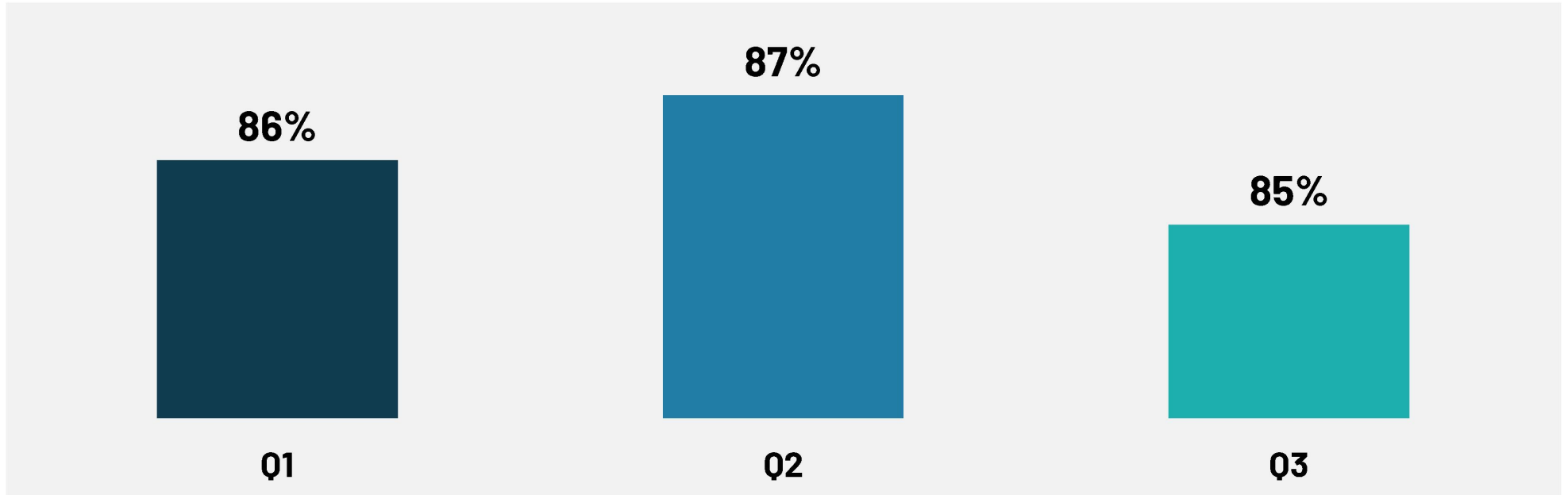
# The following compliance outcomes are considered in the Amazon Mystery Shopping Program

## Behaviours vs Corresponding Compliance Outcome and Score (%)

Behaviour	Compliance Outcome	Compliance Score (%)
Asked for ID	Pass	100%
Asked for Date of Birth (Didn't Ask for ID)	Partial Pass	50%
Didn't Ask for Date of Birth or ID	Fail	0%

# Amazon Compliance has marginally decreased in Q3 compared to Q1 and Q2

## Compliance (%) – Q1 vs Q2 vs Q3



Bases for Amazon: Q1 = 6754; Q2 = 8342; Q3 = 7720

# Factors influencing Amazon Compliance

1 Country

2 Product and Type

3 Time and Weekday

4 Driver Characteristics

# COUNTRY

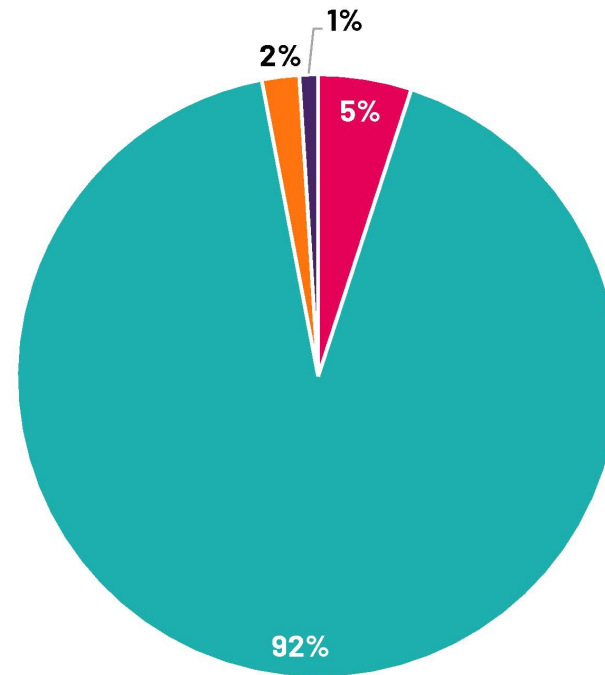
# 1

Country: England, Northern Ireland, Scotland,  
Wales

# Deliveries in England make up most of the Amazon age-restricted sample

## Deliveries (%) by Country – Q3

- Scotland
- England
- Wales
- Northern Ireland



Bases for Amazon Q3: Scotland = 337; England = 6704; Wales = 163; Northern Ireland = 62

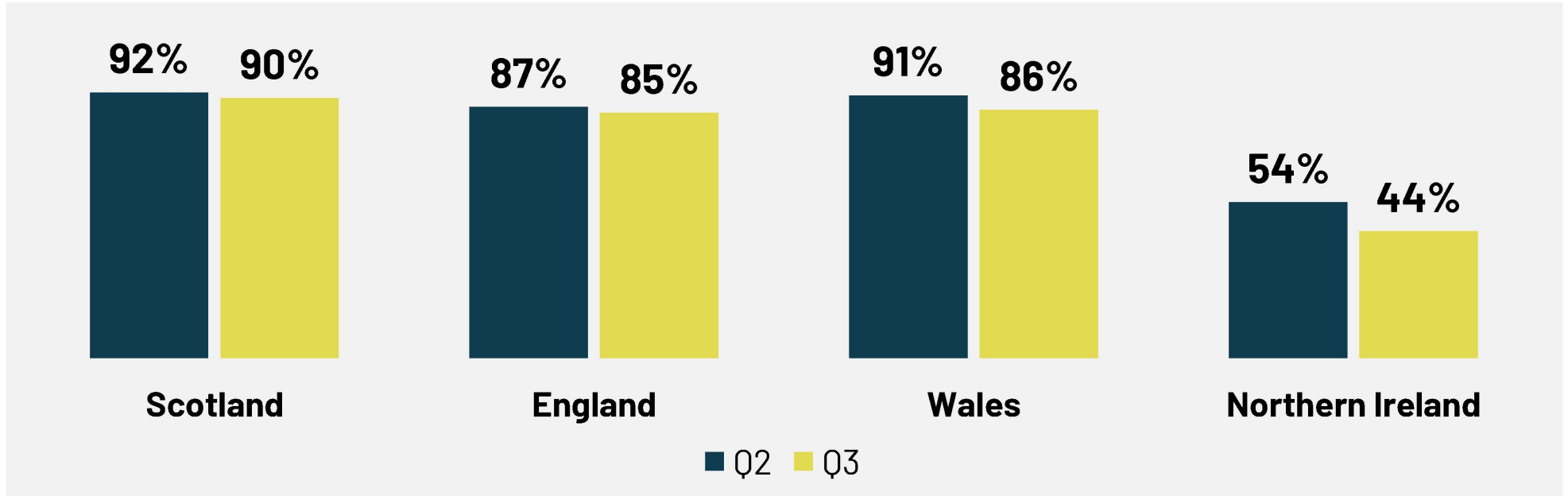
# 44%

**Northern Ireland  
has the lowest  
average  
compliance in Q3**



# Compliance has marginally decreased in all four countries— Northern Ireland continues to have poor compliance

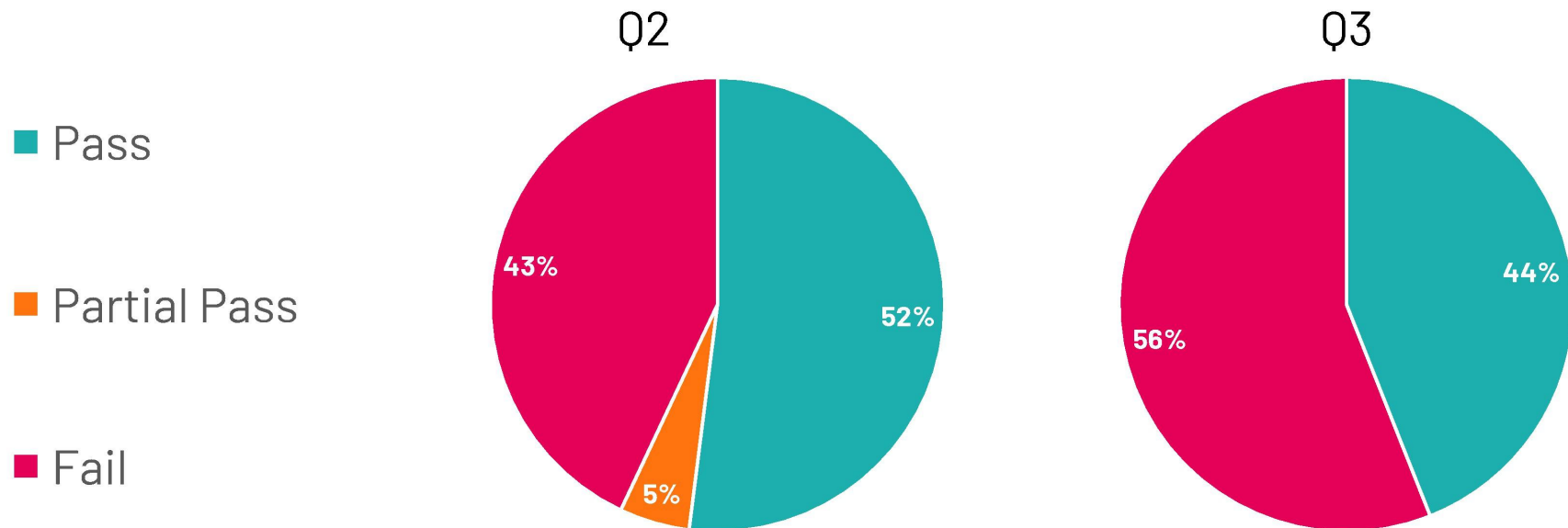
## Country vs Compliance (%) – Q2 vs Q3



Bases for Amazon Q2: Scotland = 423; England = 7082; Wales = 164; Northern Ireland = 79  
Bases for Amazon Q3: Scotland = 337; England = 6704; Wales = 163; Northern Ireland = 62

# Compliance failures have markedly increased in Northern Ireland in Q3 with zero partial passes recorded

## Pass, Partial Pass, and Fail (%) in Northern Ireland – Q2 vs Q3



Bases for Amazon Q2: Northern Ireland = 79  
Bases for Amazon Q3: Northern Ireland = 62

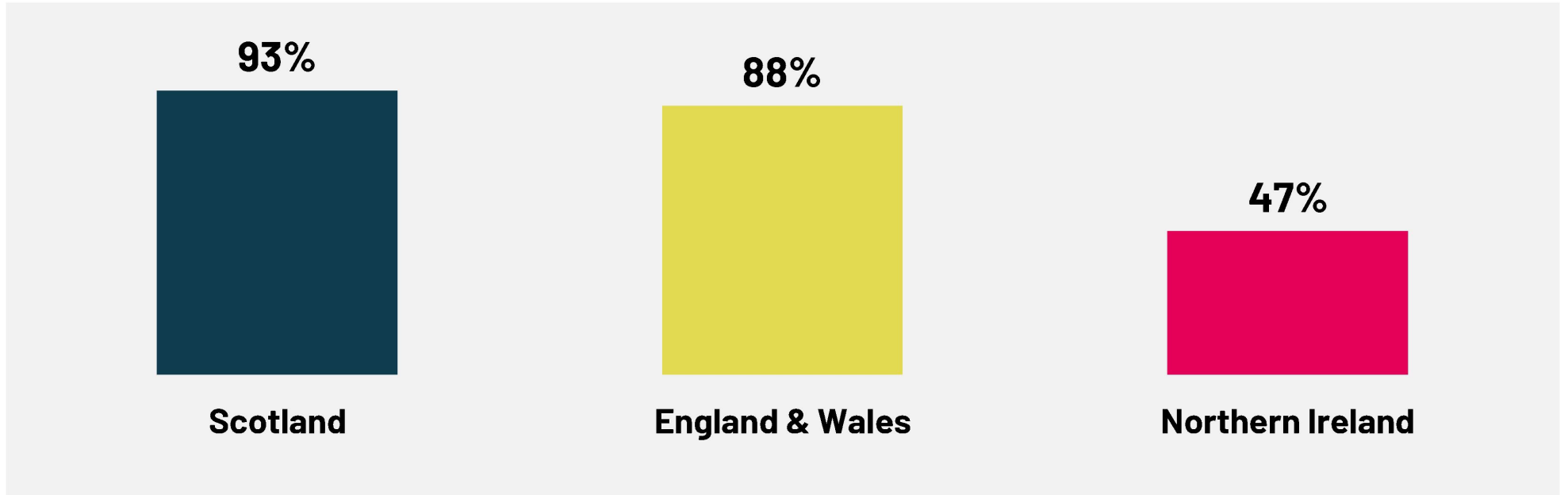
# Using Third-party Data

- Mystery Shopping data can be greatly enhanced by both client data and public data.
- Although, we are in the process of starting to analyse additional client data from Amazon, it's not yet included in the presentation.
- Thus, we have accessed ONS\* data to assess potential differences by geographical location and type of residential area using rural/urban ONS classifications.

*Our recommendations for client data are presented on slide 39.*

# This deep-dive into ONS data indicated that compliance in rural Northern Ireland remains particularly poor in Q3

## Countryside vs Compliance (%) – Q3



Bases for Amazon Q3: Scotland Countryside = 27; England & Wales Countryside = 256; Northern Ireland Countryside = 34

# PRODUCT & TYPE

# 2

Product: Alcohol, Knives, Razor, Vape/Vape Product

Type: Fresh, Morrisons, Retail

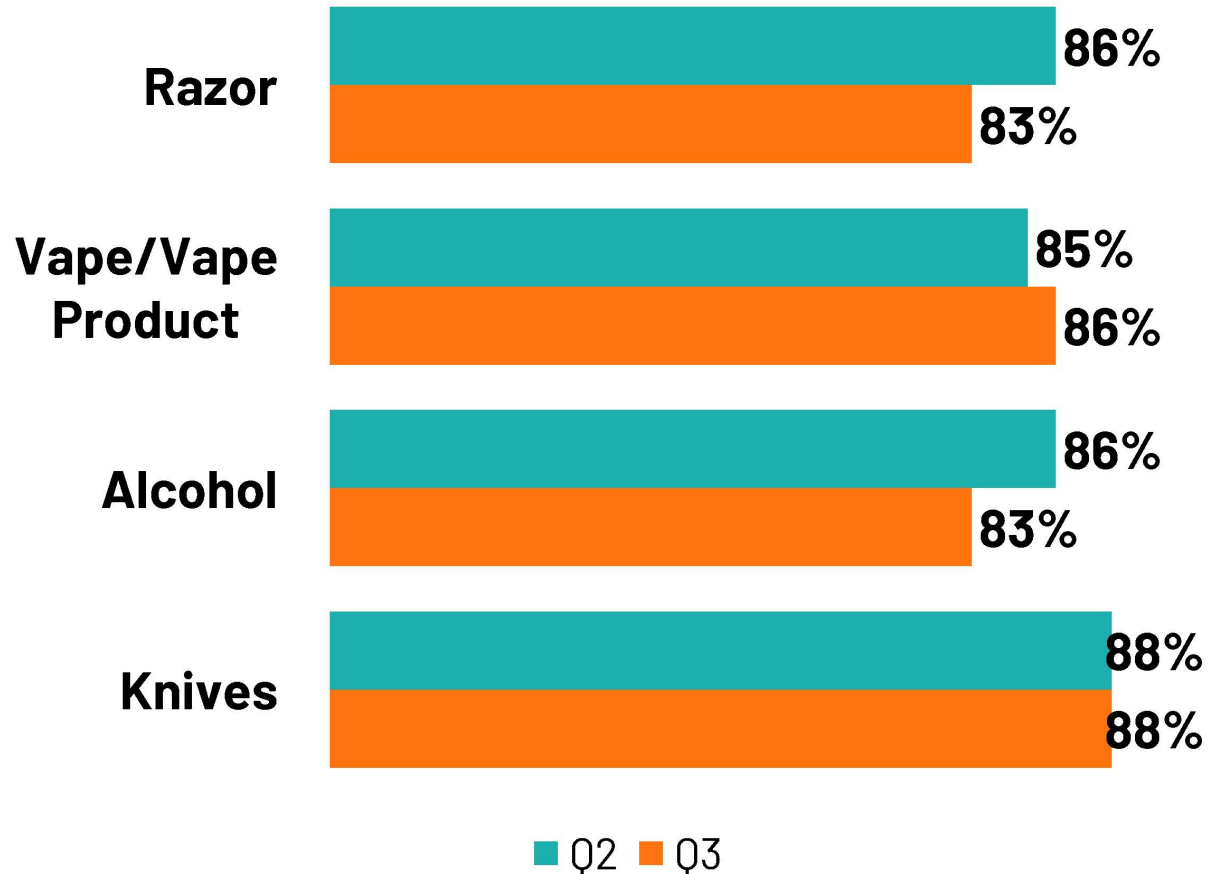
# 88%

## Average Compliance remains highest for Knives in Q3

The uptick in compliance for knives is possibly due to news stories pertaining to increased instances of knife-violence in the UK.



**Although compliance is highest for knives, compliance across the product types remains similar in Q3**

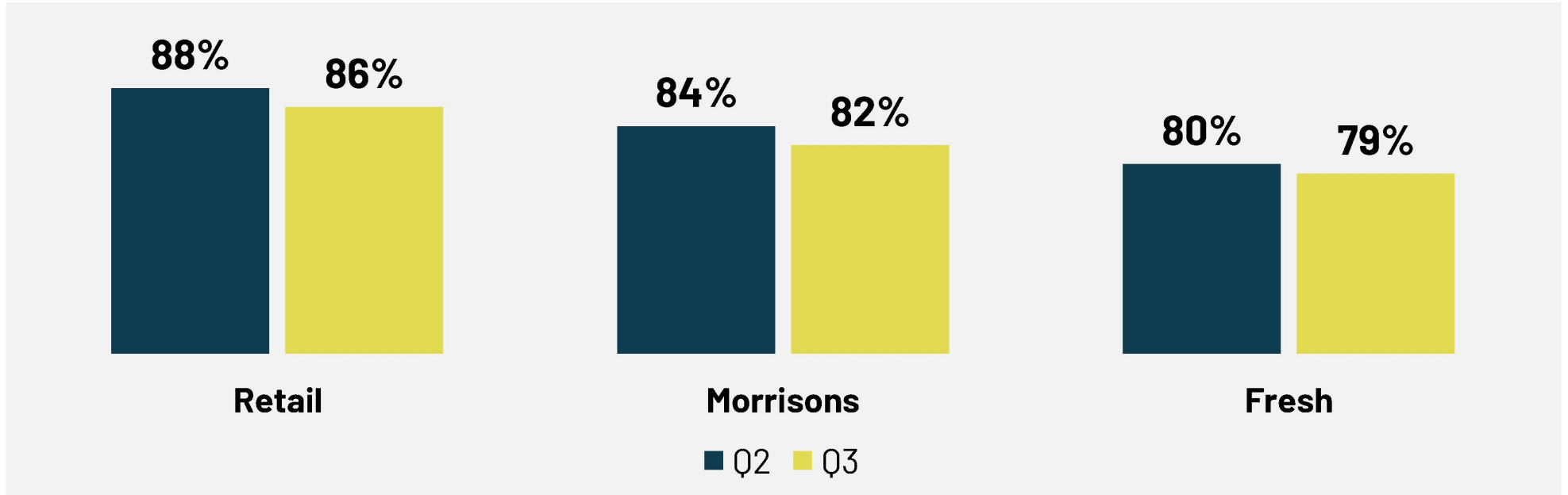


Bases for Amazon Q2: Alcohol = 4462; Vape/Vape Product = 234; Knives = 3428; Razors = 163  
 Bases for Amazon Q3: Alcohol = 3899; Vape/Vape Product = 191; Knives = 3396; Razors = 218



# Location type has an influence on compliance with Retail performing better than Morrisons and Fresh in Q3

## Location Type vs Compliance (%) – Q2 vs Q3



Bases for Amazon Q2: Retail = 7180; Morrisons = 710; Fresh = 452  
Bases for Amazon Q3: Retail = 6487; Morrisons = 813; Fresh = 420

# TIME & WEEKDAY

# 3

Time: Early Morning, Morning, Lunchtime,  
Afternoon, Evening, Night

Weekday: Monday, Tuesday, Wednesday,  
Thursday, Friday, Saturday, Sunday

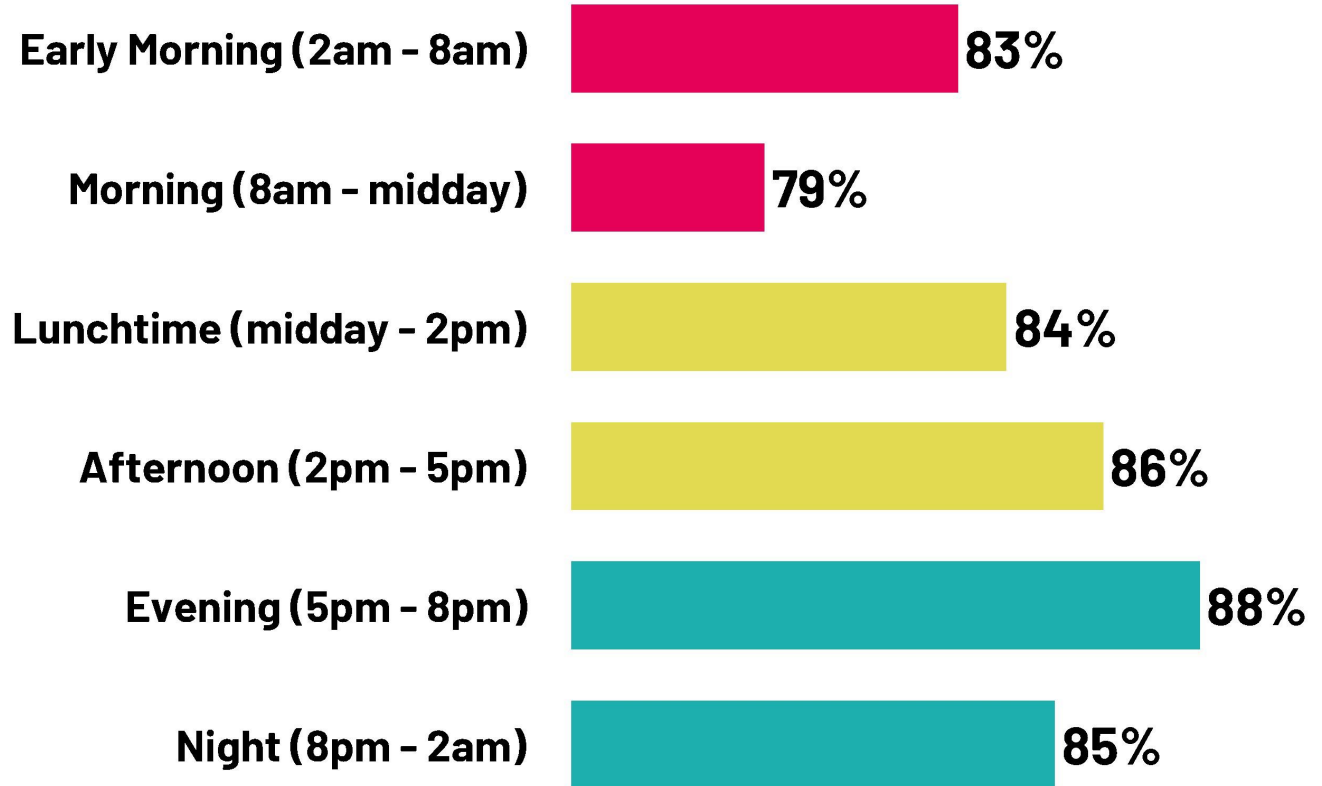
# 88%

**Highest  
Compliance in  
the evening**



# Compliance is poorer in the morning than other times of the day

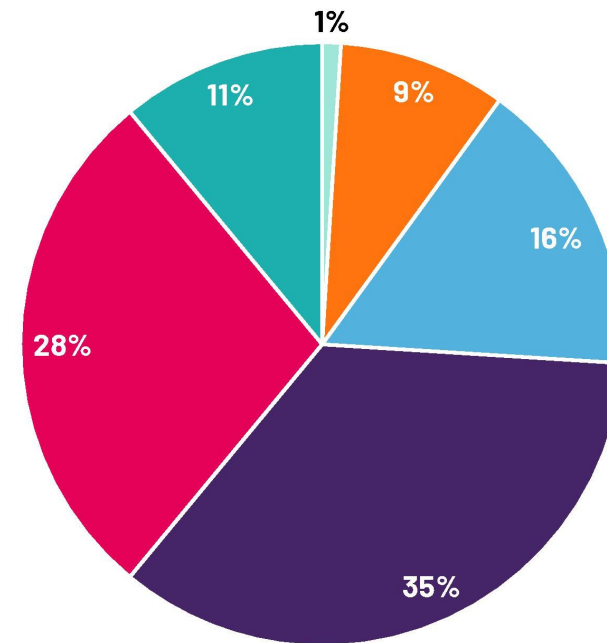
There are differences in compliance by time of day in Q3, with compliance improving later in the afternoon and evening.



# Most deliveries of age-restricted items are made in the afternoon and evening for Q3

## Deliveries (%) by Time of Day – Q3

- Early Morning (2am - 8am)
- Morning (8am - midday)
- Lunchtime (midday - 2pm)
- Afternoon (2pm - 5pm)
- Evening (5pm - 8pm)
- Night (8pm - 2am)



Bases for Amazon Q3: Early morning = 89; Morning = 691; Lunchtime = 1256; Afternoon = 2717; Evening = 2180; Night = 787

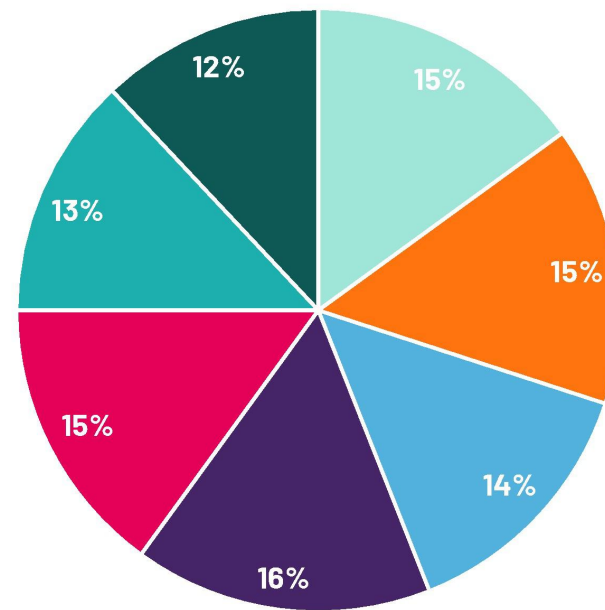
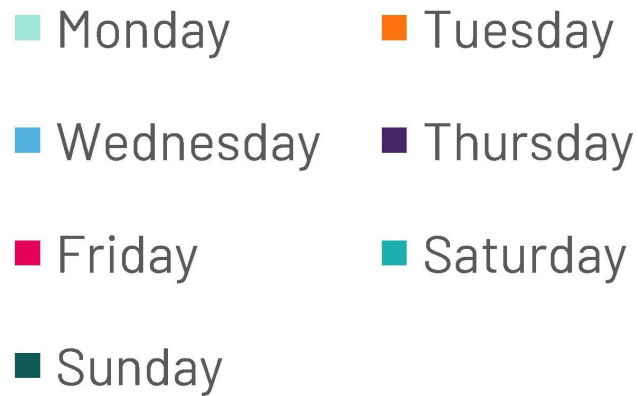
# Compliance is consistent by Weekday in Q3

Compliance doesn't differ significantly as the week progresses, with compliance on Sunday equal to Monday.



# Deliveries of age-restricted items are split fairly equally across the weekdays in Q3

## Deliveries (%) by Weekday – Q3



Bases for Amazon Q3: Monday = 1153; Tuesday = 1121; Wednesday = 1113; Thursday = 1217; Friday = 1159; Saturday = 1006; Sunday = 951

# DRIVER CHARACTERISTICS

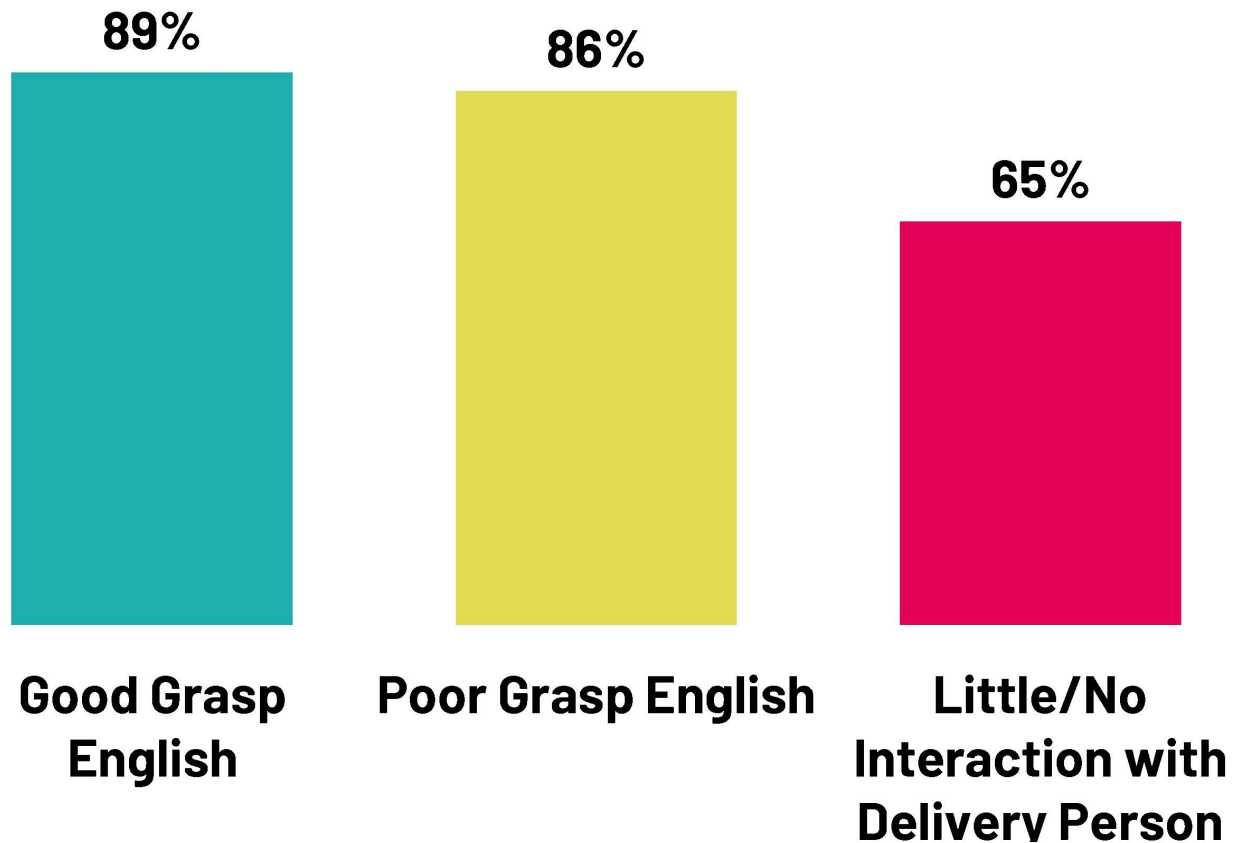
# 4

Characteristics: English Language Skills, Lanyard

# Driver interaction with customer's remains crucial to boost compliance

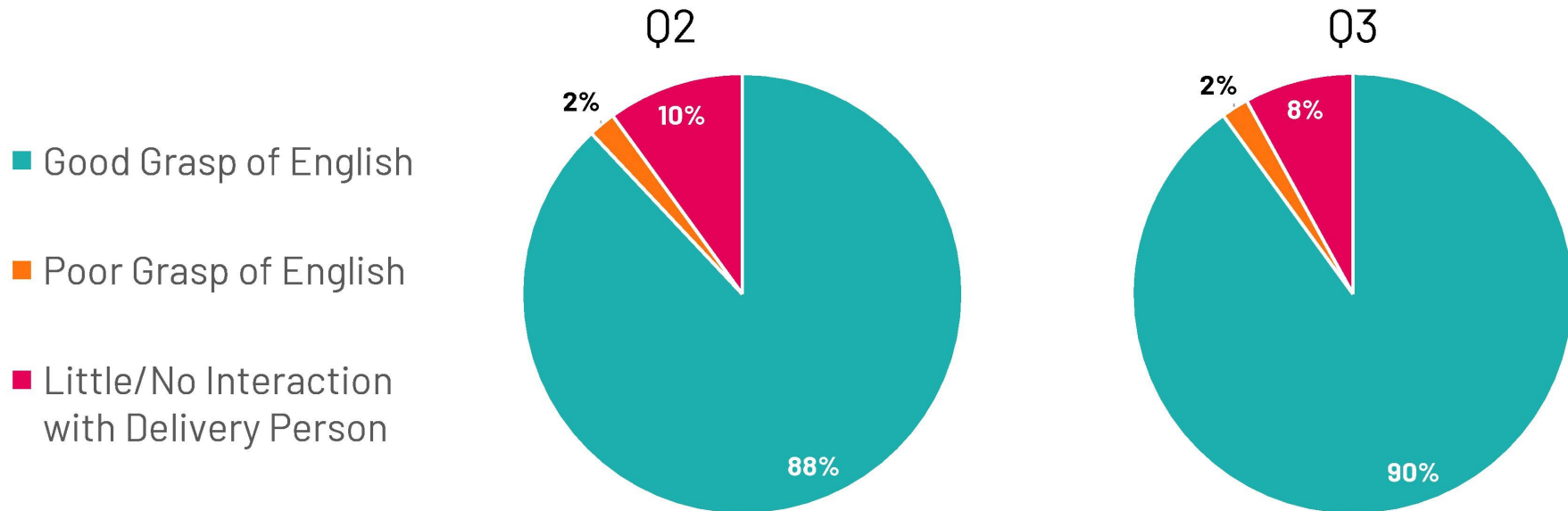
Like Q2, compliance is only slightly lower in Q3 for drivers who have a poorer grasp of English vs those with a good grasp.

Whereas drivers who have very little/no interaction with customers have significantly lower compliance.



# Amazon has marginally reduced instances of little/no interaction with delivery person in Q3

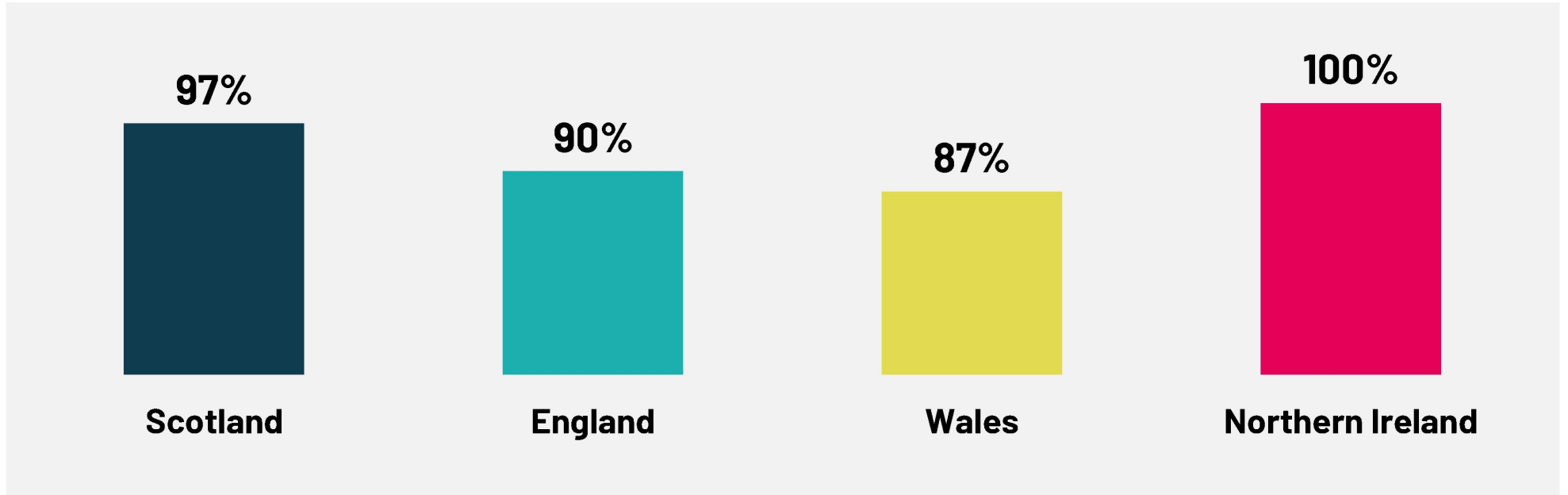
## Grasp of English Language – Q2 vs Q3



Bases for Amazon Q2: Good Grasp English = 7292; Poor Grasp English = 125 Little/No Interaction with Delivery Person = 812  
Bases for Amazon Q3: Good Grasp English = 6837; Poor Grasp English = 109 Little/No Interaction with Delivery Person = 624

# Grasp of English Language is good across the four countries in Q3

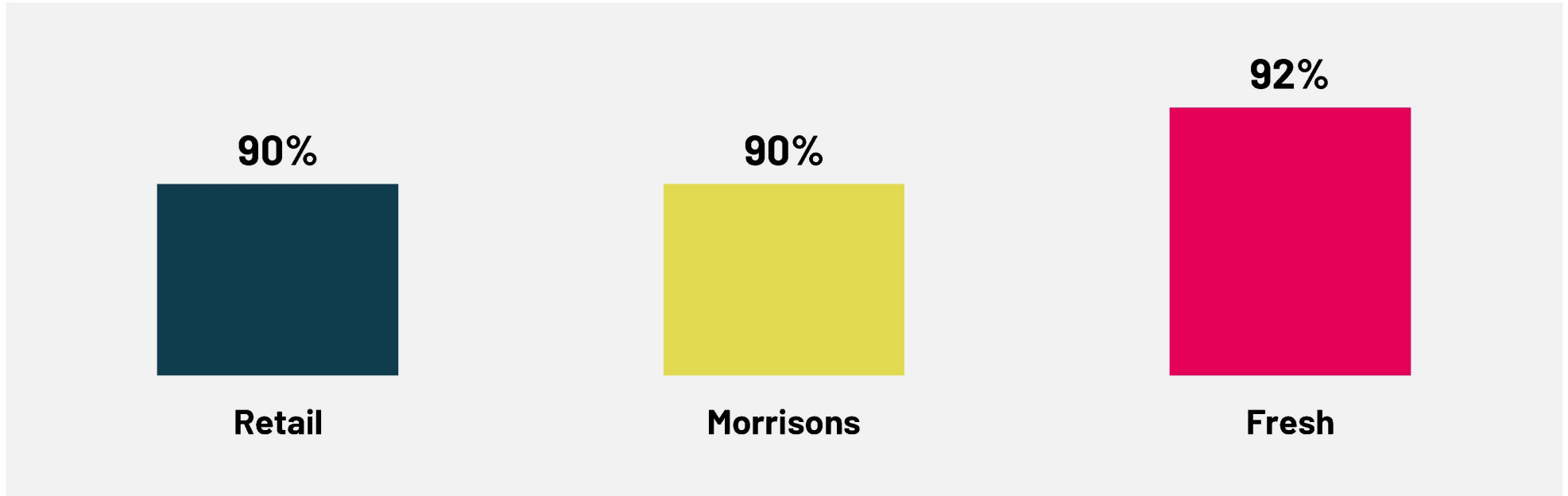
## Country vs Good Grasp English (%) - Q3



Bases for Amazon Q3: Scotland = 336 England = 6649; Wales = 160; Northern Ireland = 37

# Grasp of English is consistent by location type—Retail, Morrisons and Fresh have 'good grasp of English' above 85%

## Location Type vs Good Grasp English (%) – Q3

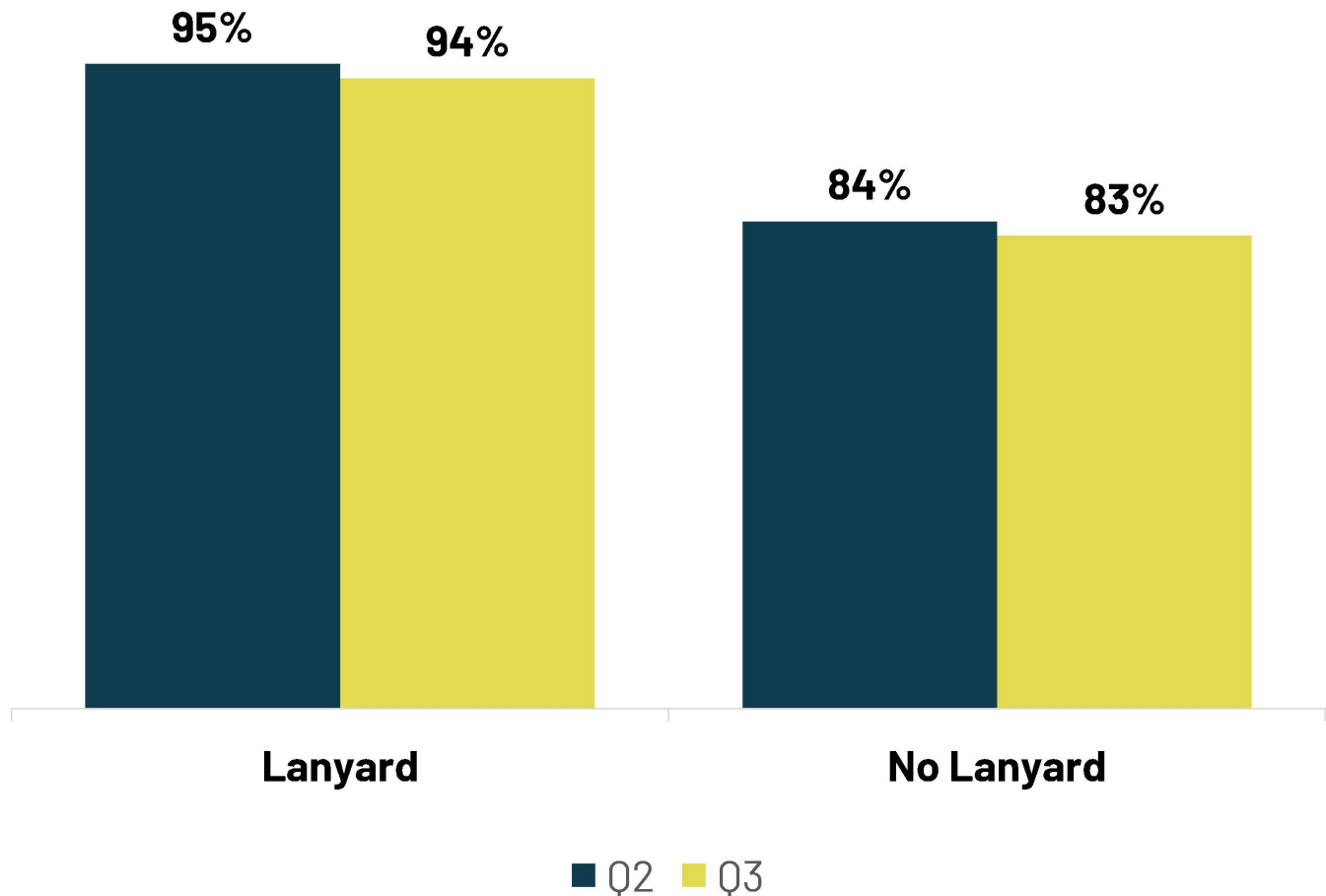


Bases for Amazon Q3: Retail = 6407; Morrisons = 809; Fresh = 418

# Drivers that wear a lanyard have higher compliance

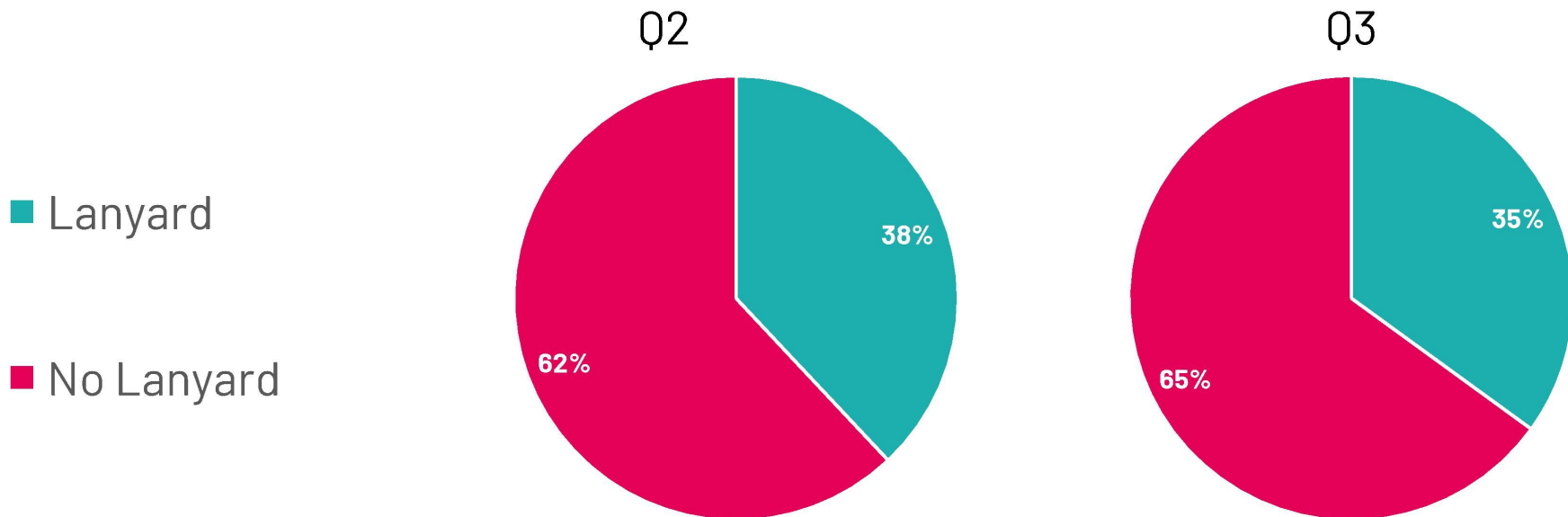
It would be useful to understand why there is a link between compliance and wearing a lanyard.

Nonetheless, this clearly indicates the importance of drivers wearing a lanyard.



# Wearing a lanyard has marginally worsened in Q3 - Like Q2 roughly 2 in 5 Amazon delivery drivers wear a lanyard in Q3

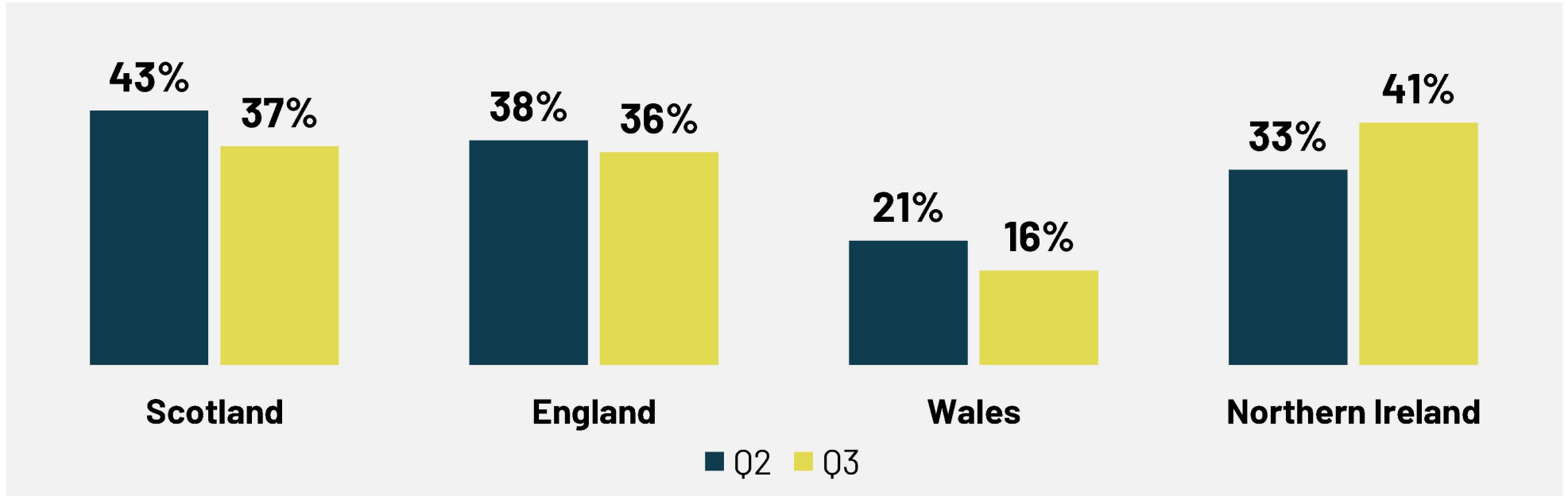
## Wearing Lanyard vs Not Wearing Lanyard (%) - Q2 vs Q3



Bases for Amazon Q2: Lanyard = 3185; No Lanyard = 5125  
Bases for Amazon Q3: Lanyard = 2688; No Lanyard = 4946

# Wearing a lanyard remains low among delivery drivers in Wales for Q3

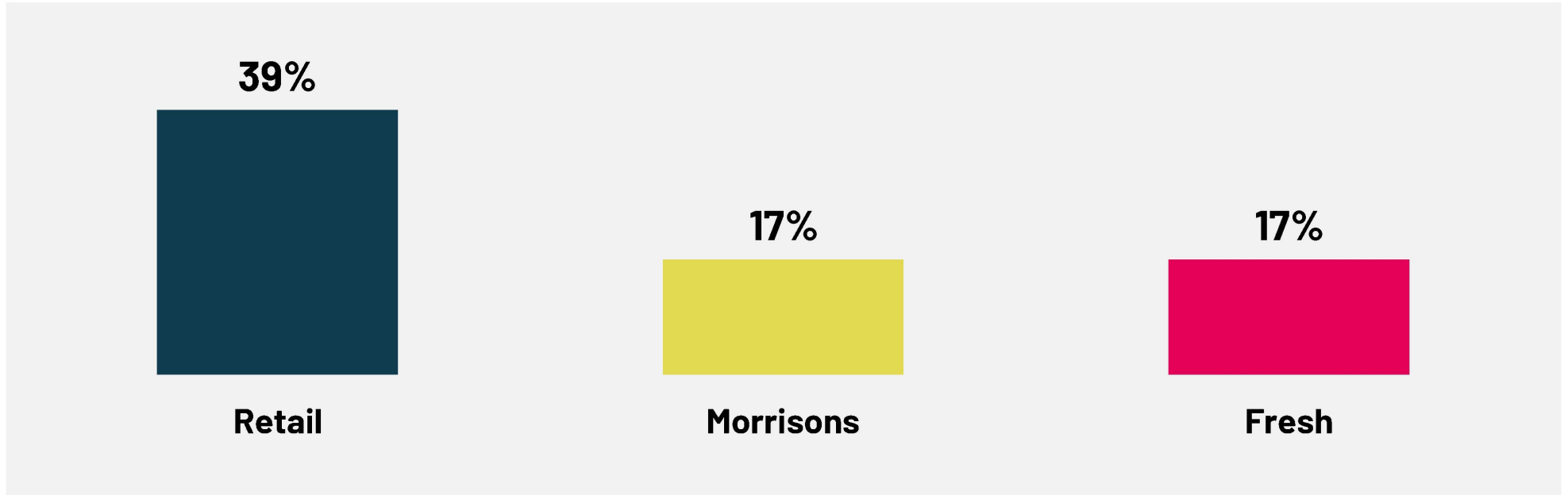
## Country vs Wearing Lanyard (%) – Q2 vs Q3



Bases for Amazon Q2: Scotland = 423; England = 7068; Wales = 166; Northern Ireland = 66  
Bases for Amazon Q3: Scotland = 336; England = 6649; Wales = 160; Northern Ireland = 37

# Drivers wear lanyards more than twice as often for Retail than for Morrisons and Fresh in Q3

## Location Type vs Wearing Lanyard (%) – Q3



Bases for Amazon Q3: Retail = 6407; Morrisons = 809; Fresh = 418

# NEXT STEPS



# Next Steps

## *Compliance Goal*

The goal is **responsible sales**, so Amazon should aim for **100% compliance** across each of the four age-restricted product types.

## *Driver Characteristics*

Driver's grasp of English and whether they wear a lanyard influences compliance, but it is important to identify the reasons for this observed influence.

## *Additional Analysis*

Aside from ONS\* data, our analysis to-date has only focussed on the mystery shopping data.

To provide more actionable insights, we intend to analyse Amazon provided data once we have a full year worth of Mystery Shopping data at the end of 2024. Amazon has provided the following:

- Station
- Route Code
- Warehouse
- Package Details (Width, Length, Height, Weight)

If there is any additional Amazon data available on Driver Tenure and Training, this would be useful for Ipsos to include in the end-of-year analysis.

# THANK YOU.

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