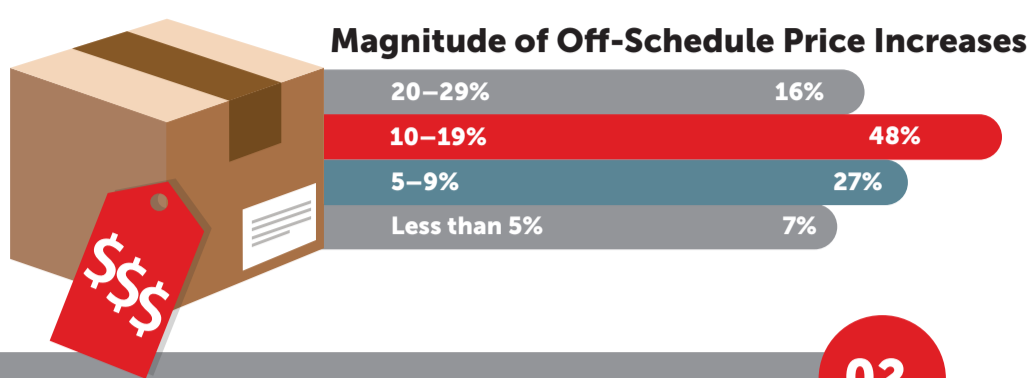


How Retailers Can Build Their Supply Chains to Gain an Unfair Share of the Growing E-Commerce Market

01. Surcharges and rate increases are making shipping more expensive

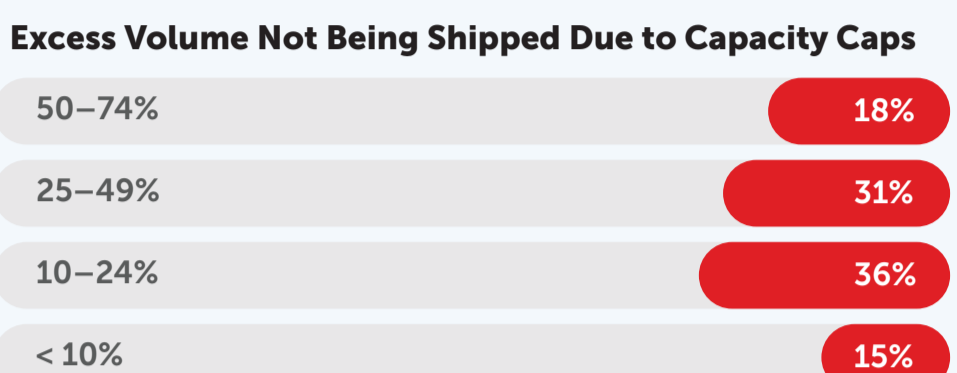
Shipping rates are rising faster than they have in a decade.



02.

Retailers are facing major capacity limits

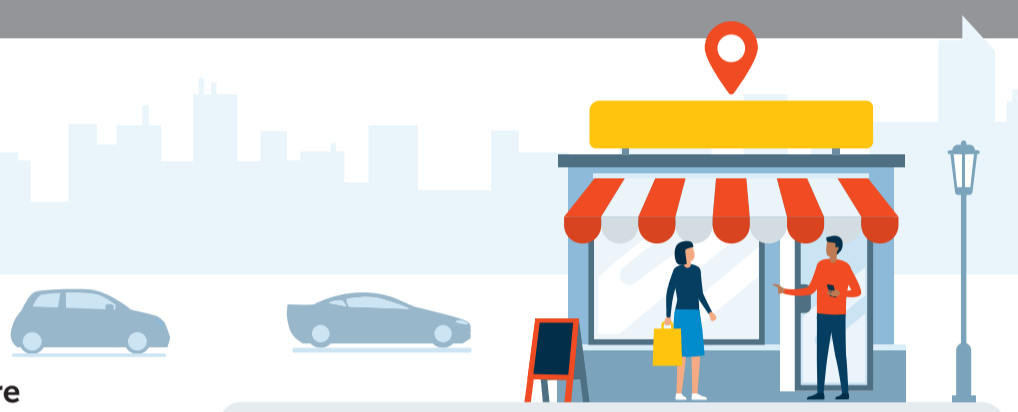
The result? An unprecedented capacity crunch with hundreds of millions of packages now being capped annually.



03. Retailers have already implemented BOPIS and click and collect

87% of retailers already offer BOPIS

85% already offer ship-from-store



04.

Faster delivery has become the new free shipping

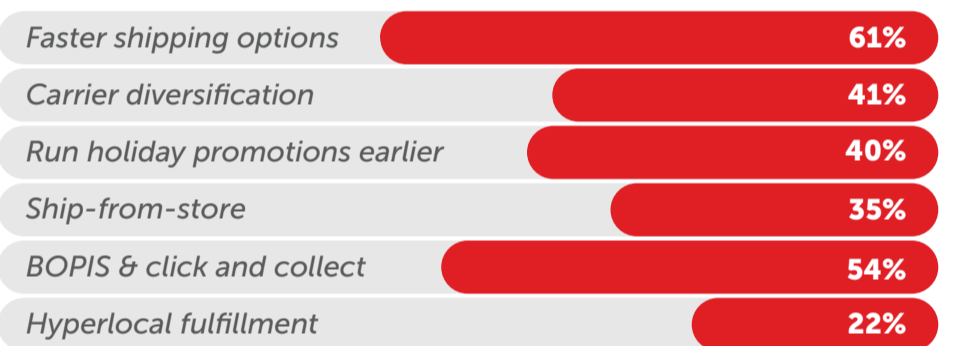
Offering faster shipping options is retailers' top strategy to stay ahead of the competition.

73% of consumers chose retailers who offered next-day delivery

64% said slow shipping would make them switch retailers



Top Strategies to Stay Ahead of Competitors



05. Retailers are allocating more volume to regional carriers

57% of major online retailers plan to shift more volume to regional carriers

52% of those are planning to send between 25% and 49% of their volume to regional carriers



Our Recommendations

01. Leverage faster delivery to acquire customers and meet their expectations

- 78%** of consumers surveyed would be willing to sign up for a loyalty program if it meant faster deliveries
- 80%** of consumers chose one retailer over another because they offered **next-day delivery**
- 65%** of consumers chose one retailer over another because they offered **same-day delivery**
- 73%** of consumers made a purchase because **next-day delivery** was available
- 62%** of consumers made a purchase because **same-day delivery** was available



02. BOPIS is creating a new set of operations and logistics challenges

It's a direct result of retailers not having free and fast delivery options built into their supply chains.

39% of retailers still view capacity constraints as a top challenge

64% of consumers use BOPIS primarily to avoid paying shipping fees

Consumer Delivery Destination Preferences

- 89%** Home delivery
- 11%** In-store & curbside pickup

Top BOPIS Concerns

- 57%** Meeting consumer expectations of store availability
- 56%** Strained store capacity due to demand for BOPIS/curbside pickup
- 46%** Struggle to keep up with volume
- 40%** Operational and staff challenges to fulfill BOPIS

03. Diversify your carrier mix

With the majority of retailers planning to shift more volume to regional carriers, those that don't do the same are at a competitive disadvantage.

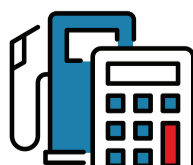
Benefits of Adding Regionals



Mitigate volume caps that cause delays



Build flexibility and optionality within your supply chain



Avoid surcharges from national carriers

Compared to national carriers, regional carriers

- ✓ Have greater capacity
- ✓ Enhance customer experience
- ✓ Faster delivery times
- ✓ Improve margins with lower costs