

The Future of E-Commerce: How New Consumer Behaviors Are Reshaping Retailers' Supply Chains

01. Consumers Are Willing to Pay for Fast Delivery

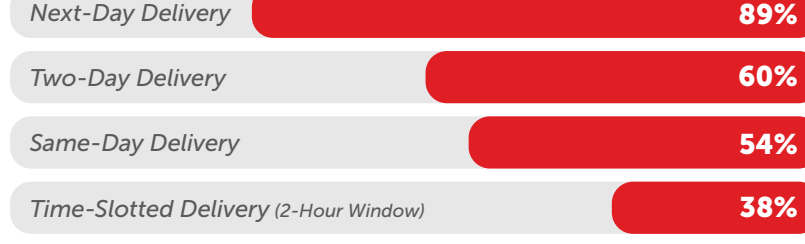
Delivery speed will increasingly drive purchase decisions as younger generations increase their buying power and share of the market.

In 2021 alone, nearly **60%** of shoppers paid for faster delivery. **69%** of those, paid more for next-day delivery.

40% of GEN-Z consumers would increase their probability of shopping at a new retailer if they offered next-day delivery at an additional cost.

37% of MILLENNIAL consumers would increase their probability of shopping at a new retailer if they offered next-day delivery at an additional cost.

Have You Ever Paid More for the Following Delivery Options?



02. Slow Delivery Times Lead Consumers to Shop Elsewhere

64% of consumers reported that slow delivery times prevented them from trying a new retailer or caused them to shop elsewhere.

Consumers Who View Fast Delivery as Important Online Shopping Criteria

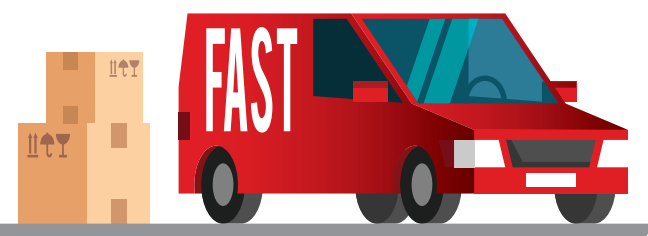


Impacts of Slow Delivery on Consumer Purchase Decisions

- 54%** Choose a different retailer
- 44%** Abandon cart / stop shopping with retailer

How Fast Delivery Drives Purchases

- 80%** of consumers chose one retailer over another because they offered **next-day delivery**.
- 65%** of consumers purchased from 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.

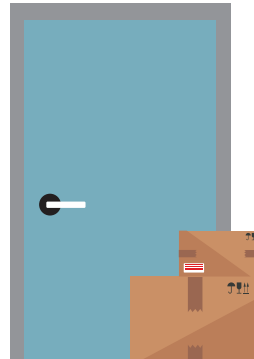
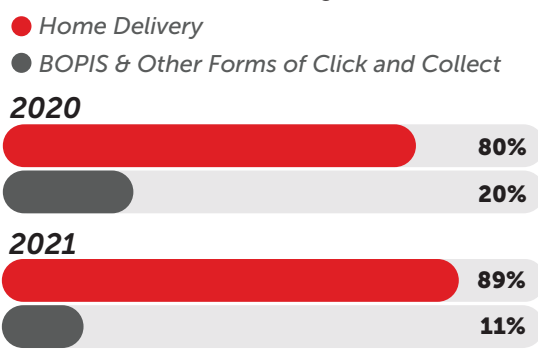


03. Consumers Still Overwhelmingly Prefer Home Delivery

89% of consumers prefer **home delivery** over buy online, pick up in-store (BOPIS) and other forms of click and collect, **up nearly 10% from 2020**.

- >50%** of shoppers plan to use home delivery more in the future.
- 83%** of these, think there will come a time when home delivery is their primary method of shopping.
- 50%** plan to make home delivery their primary shopping method within the next 5 years.

Preferred Delivery Method

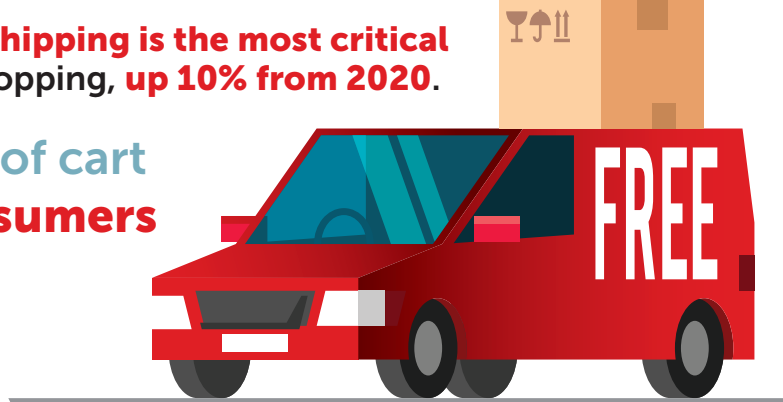


04. Free Shipping Still Reigns Supreme

80% of consumers indicated that **free shipping is the most critical factor** when it comes to online shopping, **up 10% from 2020**.

Expensive shipping is the **#1 cause of cart abandonment**, leading **61% of consumers** to not complete their transaction.

81% of consumers switched retailers due to **high shipping costs**.



How Can Retailers Build Flexible, Resilient Supply Chains That Respond to Evolving Consumer Expectations?

01. Build Faster Delivery into Your Supply Chain to Increase Customer Loyalty

78% of consumers would join a loyalty program if it meant faster shipping.

Over Half of consumers would try a new retailer that offered **next-day and same-day shipping at an extra cost**.



Likelihood of Trying a New Retailer

	Next-Day Shipping (at an additional cost)	Same-Day Shipping (at an additional cost)	Two-Day Shipping (at an additional cost)
Avid Shopper (6+ purchases a month)	53%	54%	42%
Intermediate Shopper (3-5 purchases a month)	52%	50%	49%

02. Differentiate from Competitors by Offering Fast and Free Home Delivery

52% of consumers chose to shop in store instead of online due to slow delivery.

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

Consumers' use of BOPIS and click and collect has grown exponentially since the start of the pandemic—but not because of convenience or preference. **It's because retailers don't offer free and fast delivery options.**

Important Criteria for Online Shopping

	Free/Low-Cost Shipping	Fast Delivery Options
Avid Shopper (6+ purchases a month)	82%	79%
Intermediate Shopper (3-5 purchases a month)	72%	75%
Casual Shopper (0-2 purchases a month)	72%	65%



03. Add Regional Carriers to Build Flexibility and Ensure Capacity in Your Supply Chain

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

65% of retailers experienced an off-schedule price increase in the last 24 months.

34% of retailers currently have their **shipping capacity capped**.

66% of these, are facing caps between **10% and 49%** of their total volume.

Benefits of Adding Regional Carriers



Faster delivery times enhance customer experience



Mitigate volume caps that cause delays



Build flexibility and optionality within your supply chain



Avoid surcharges from national carriers