



# Shipping and Delivery Trends of the Top 50 Retailers

Between consumers' rising expectations and the shift towards unified commerce, retailers face many significant challenges when it comes to profitably fulfilling eCommerce orders. From capacity problems at distribution centers and increased shipping costs to the demand for faster delivery and issues with optimizing the supply chain, many retailers are struggling to fulfill the promises they make to their customers.



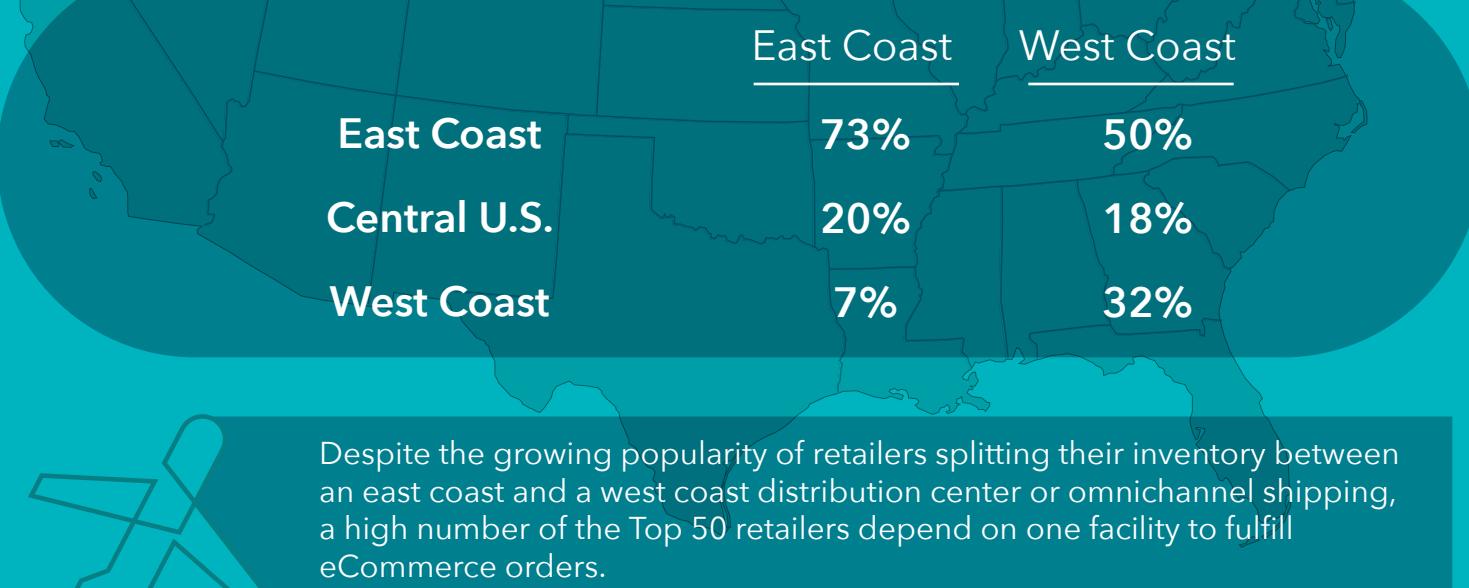
With so many challenges to overcome across all areas of their business, we wanted to know how retailers are responding to their customers' rising shipping and delivery expectations. To find out, SmartHub, an autonomous division of Radial that studies retailers and shopper behavior, conducted a study of 50 of the leading eCommerce retailers that shape consumers' online shopping expectations.

Our findings show how the Top 50 retailers are approaching the complex, ever-evolving omnichannel strategies designed to improve shipping and delivery. Check out the infographic below for key insights.

## Shipping And Delivery

Most consumers prioritize free shipping over fast shipping, but only 66% of the Top 50 retailers offer free shipping as a standard policy.

### Free Shipping

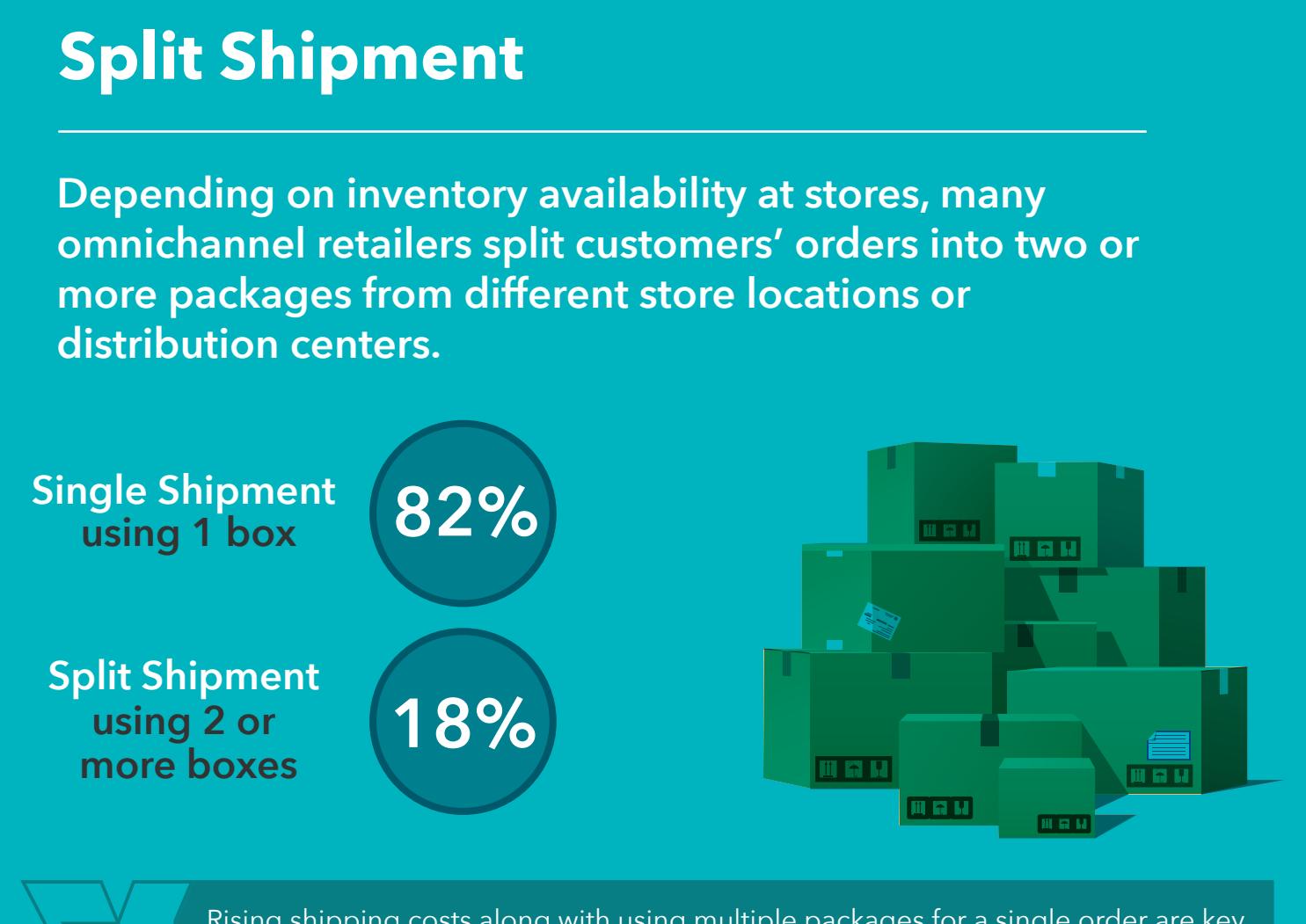


Customer expectations make it difficult for retailers to remove free shipping once it is offered. Some retailers, however, change their free shipping minimum throughout the year as part of a larger promotional strategy.

## Ground vs. Consolidated Shipping

The Top 50 retailers use ground service to deliver over half of their orders.

While the majority of retailers still prefer ground service, low-cost consolidated shipping services such as SmartPost and SurePost are gaining in popularity.



## East Coast vs. West Coast

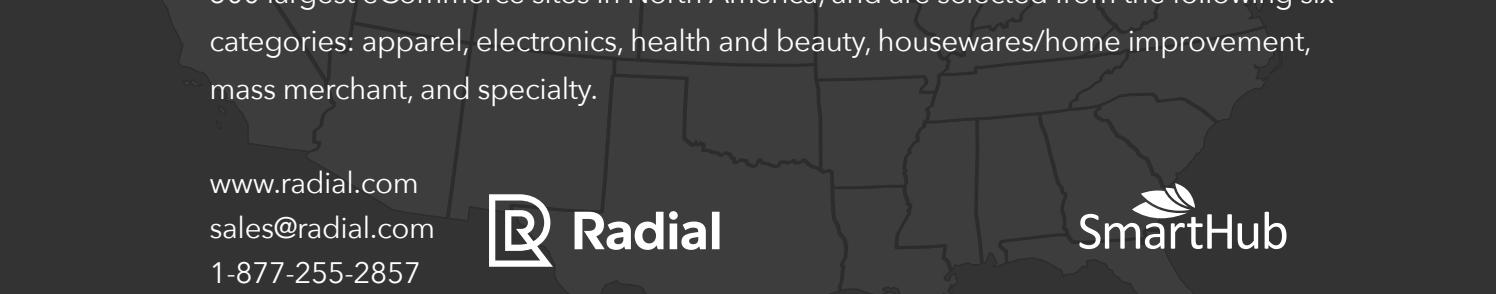
Looking at retailers' shipping locations, despite the benefits of using regional distribution centers to more efficiently fulfill orders to their customers, only 23% of retailers have a regional distribution model.



Despite the growing popularity of retailers splitting their inventory between an east coast and a west coast distribution center or omnichannel shipping, a high number of the Top 50 retailers depend on one facility to fulfill eCommerce orders.

## Shipping Time

The low rate of Split Shipments that we've observed in 2016 is being driven by demand from carriers to ship efficiently.



Regional fulfillment centers can help retailers to alleviate this issue.

## Split Shipment

Depending on inventory availability at stores, many omnichannel retailers split customers' orders into two or more packages from different store locations or distribution centers.

Single Shipment using 1 box **82%**

Split Shipment using 2 or more boxes **18%**

Rising shipping costs along with using multiple packages for a single order are key reasons why many retailers still struggle to make omnichannel fulfillment profitable.



## Retailers' Packaging Preferences

The standard corrugated box accounts for more than 50% of orders, even though multiple packaging options exist.

Regional fulfillment centers can help retailers to alleviate this issue.

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