

Shipping, Delivery & Pickup - US - 2023

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This report looks at the following areas:

- Macroeconomic factors impacting eCommerce and fulfillment options
- Items purchased online
- Fulfillment options used
- Important factors for online orders
- Attitudes toward fulfillment
- Price sensitivity for shipping

Consumers who shop online want to find, shop and get their items easily. They want to have choices when it comes to fulfillment, and they show a preference for deliveries as opposed to pickup services as this option eliminates the trip to the store, a potential wait in line or the need to carry bags. However, few of these shoppers are willing to pay for this convenience, and in fact, 71% of consumers say free shipping is the most important factor when ordering online. Consumers are increasingly expecting free shipping as part of their online shopping experience.

While Amazon has set the bar for such expectations, and many other retailers have followed suit to remain competitive, it is paramount for companies to be aware of the associated costs and risks of continually offering free shipping. More than a quarter (27%) of consumers order extra items they plan to return so they get free shipping, which rises to 41% among Millennials. This indicates that free shipping might prompt more returns which increases costs above and beyond basic operational expenses, highlighting the need for companies to find a balance between managing margins with consumers' expectations.

Outside factors can affect consumer attitudes and choices related to fulfillment. For instance, the increased cost of living or supply chain disruptions can lead consumers to pick up items in the store to avoid shipping costs or waiting for a delivery. Therefore, it will be important for brands and retailers to give consumers a choice of fulfillment options, but also to be transparent about the process and any disruptions. One of the biggest opportunities for retailers



"During this time of economic turmoil, shoppers will be more focused on value than ever before. Retailers must be cautious about relying on free shipping to attract online shoppers as this perk can easily backfire."

- Marisa Ortega, Retail & eCommerce Analyst

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when it comes to fulfillment is to find ways to be more cost-efficient. Consumers are concerned about the environmental impact of deliveries; they also want more control and precision over the process. Companies will want to leverage technology innovation to minimize their environmental footprint and address shortcomings in the fulfillment process.



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Table of Contents

OVERVIEW

- What you need to know
- This Report looks at the following areas
- Definition
- Market context

EXECUTIVE SUMMARY

- **Top Takeaways**
- **Consumer trends**
Figure 1: Fulfillment options used, 2023
Figure 2: Important factors when ordering online, 2023
Figure 3: Attitudes toward fulfillment options, 2023
- **Competitive strategies**
- **Last-mile delivery is becoming a focal point for brands**
- **Pickup options are getting more sophisticated**
- **Innovative technology is being leveraged to bring consumers' purchases to them faster**
- **Market predictions**
Figure 4: Shipping, delivery and pickup outlook, 2023-28
- **Opportunities**
- **Diversify fulfillment capabilities to meet consumers' varying needs**
- **Improve the speed of deliveries**
- **Become more strategic about free shipping**
- **Fulfill orders minimizing the impact to the environment**

MARKET DRIVERS

- **The increased cost of living leads consumers to shift how they shop**
Figure 5: Consumer Price Index change from previous year, 2020-23
- **Meet the needs of online shoppers by offering value beyond price**
- **Prioritizing sustainability can help set a company apart from its competition**
- **Technology is becoming increasingly important to drive operational efficiency and meet consumers' expectations**
- **Potential labor disruptions can impact retail operations**

COMPETITIVE STRATEGIES AND MARKET OPPORTUNITIES

- **Kroger leverages new technology to improve its deliveries**

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Figure 6: Kroger partners with the startup Gatik to introduce driverless trucks

- **DoorDash expands its nonfood client list**

Figure 7: DoorDash continues to add retail partners to its service

- **Target adds Starbucks to its curbside fulfillment feature**

Figure 8: Target adds Starbucks items to its drive-up service

- **Zipline expands its reach through home delivery service**

Figure 9: Zipline expands its home delivery service

- **Save Mart debuts an automated fulfillment center**

Figure 10: Save Mart utilizes robots to pick and pack groceries for delivery

THE CONSUMER – FAST FACTS

FULFILLMENT CONSUMER SEGMENTS

- **Consumers care about how their orders are packaged and dispatched**

Figure 11: Consumer segments related to fulfillment attitudes, 2023

FULFILLMENT OPTIONS USED

- **Go beyond the “standard” to appeal to a wider audience of consumers**

Figure 12: Fulfillment options used, by gender and age, 2023

- **Cater to the need of speed to remain competitive**

Figure 13: Fulfillment options used, by cluster analysis of attitudes toward fulfillment options, 2023

ITEMS SHOPPED

- **Specific circumstances can influence consumers’ approach to fulfillment options**

Figure 14: Items shopped, 2023

Figure 15: Instacart offers same-day and scheduled delivery for furniture and other items

- **Value, urgency and purpose behind purchases can have an effect on the fulfillment selection**

Figure 16: Items shopped, by fulfillment options, 2023

IMPORTANT FACTORS WHEN ORDERING ONLINE

- **Someone has to absorb the cost of shipping**

Figure 17: Important factors when ordering online, 2023

Figure 18: Barnes and Noble rewards loyal customers with free shipping and other perks

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Full Report PDF

Infographic Overview

Powerpoint Presentation

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- **Urban consumers have more fulfillment-related expectations and demands**

Figure 19: Important factors when ordering online, by area, 2023

Figure 20: Walmart offers its logistic set up to other companies through GoLocal

DELIVERY CONCERNS

- **Transparency and quality customer service can minimize consumers' concerns when waiting for their orders**

Figure 21: Delivery concerns, by gender and age, 2023

Figure 22: Amazon leverages AI to identify damaged items before they are shipped to customers

- **Address fulfillment concerns to earn shoppers' trust and increase loyalty**

Figure 23: Delivery concerns, by consumer segments related to fulfillment attitudes, 2023

ATTITUDES TOWARD FULFILLMENT OPTIONS

- **Value and sustainability are top of mind**

Figure 24: Attitudes toward fulfillment options, 2023

Figure 25: Walmart utilizes eco-friendly packaging materials during fulfillment process

- **Free shipping offers can trigger returned merchandise, particularly among Millennial consumers**

Figure 26: Attitudes toward fulfillment options, by generation, 2023

Figure 27: Domino's encourages customers to pick up their orders

- **Win Fulfillment Engaged consumers by offering convenience and flexibility**

Figure 28: Attitudes toward fulfillment options, by consumer segments related to fulfillment attitudes, 2023

PRICE SENSITIVITY FOR SHIPPING

- **Consumers are willing to pay premiums for shipping when the service is worthwhile**

Figure 29: Price sensitivity for shipping, 2023

- **Some consumers know the price of convenience**

Figure 30: Price sensitivity for shipping, by consumer segments related to fulfillment attitudes, 2023

Figure 31: Walmart offers in-home delivery through Walmart+

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Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

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APPENDIX – DATA SOURCES AND ABBREVIATIONS

- Data sources
- Consumer survey data
- Consumer qualitative research
- Abbreviations and terms
- Abbreviations
- Terms

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