2021


# 2021 E-Commerce
## Shipping & Fulfillment
### Benchmarks Report

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Looking Ahead Into the Future of E-Commerce

**This 2021 report features benchmark data, trends, and insights that will help you understand how your business lines up with industry norms across the full e-commerce journey**

# Understand How Your Business Compares In Today's E-Commerce Landscape

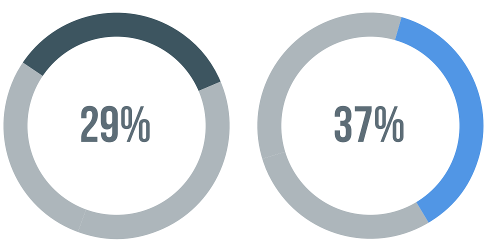
While e-commerce has continued to grow ever since the internet moved into people's everyday lives, there is no doubt the past year has been one of a kind in bringing *everyone* online, both to shop and to sell.

Merchants who relied solely on brick and mortar businesses were forced to invest in new technologies and quickly make the move to digital, while demand ballooned so that players throughout the e-commerce ecosystem scrambled to hone more efficient workflows.

While logistics may not be the trendiest part of running an e-commerce business, there's no doubt it took center stage over the last year — from supply chain disruptions due to the COVID-19 pandemic to the media-coined 'Shipaggedon' that hit around the holidays — and has remained top-of-mind since. Keeping up with relevant trends and measuring progress against industry benchmarks is a must for merchants hoping to grow their online presence and bottom lines.

**CONSIDER THE FOLLOWING:**

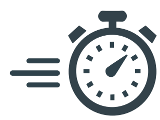
**29% in the U.S.** say they will shop for items online more than they did before.




**29%** of consumers in the U.S.

**37%** of those worldwide

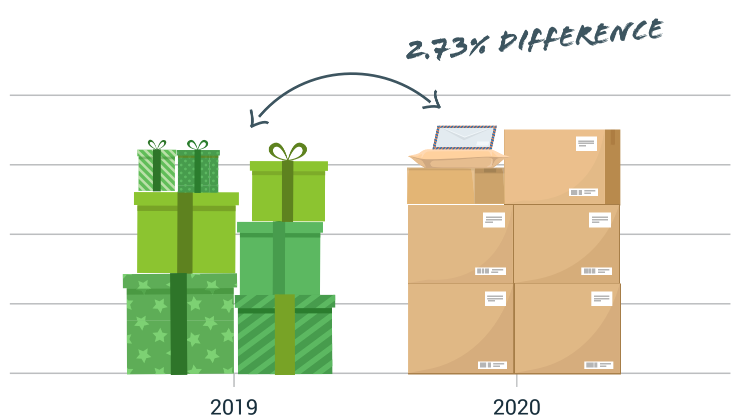
The NRF expects the U.S. economy to grow **6.6% this year,** the highest level since **7.2% in 1984.** Consumers' renewed confidence will likely translate into higher levels of household spending.



Across all sectors, businesses **accelerated their digital transformation efforts** in both their internal operations and customer- and supply-chain interactions by three to four years.

**2019 HOLIDAY SPIKES VS. ALL OF 2020**

Average Weekly Volume Comparison




The average weekly package volume for all of 2020 was **2.73% higher** than the 2019 holiday season.

It's predicted that roughly **20-30%** of the COVID-related shift online will remain permanent globally.

shippo


# E-Commerce Benchmarking Data & Insights: April 2020-March 2021

How much are consumers spending online, and what do merchants pay for shipping in relation to the overall value of those e-commerce orders?

**Average Order Value (AOV) including taxes and shipping fees:**

$78.09 Average Order Value

**Across specific industry categories:**

| | |
|---|---|
| $88.74 | Apparel |
| $63.78 | Beauty/Skincare |
| $129.72 | Electronics |
| $85.16 | Health/Wellness |
| $95.47 | Jewelry |
| $111.44 | Sports & Outdoor |

**Shipping Spend:**

$9.43 Average For Shipping | 12% Shipping Spend

**Across specific industry categories:**

| | |
|---|---|
| $8.29 | Apparel |
| $8.77 | Beauty/Skincare |
| $11.79 | Electronics |
| $8.37 | Health/Wellness |
| $8.35 | Jewelry |
| $10.55 | Sports & Outdoor |

**Shipping Spend:**

14% For Beauty/Skincare

Apparel, Electronics, Health/Wellness, Sports & Outdoor avg around 9-10%

As unprecedented as it was, we couldn't look at the past year in a vacuum. Between April 2019 and March 2021, we saw the total e-commerce order value increase exponentially:

**Total E-Commerce Order Value**

| Spring 2019 vs 2020 | Summer 2019 vs 2020 |
|---|---|
| **+111%** Increase YOY | **+84%** Increase YOY |

| Fall + Holidays: 2019 vs 2020 | Winter: 2020 vs 2021 |
|---|---|
| **+94%** Increase YOY | **+91%** Increase YOY |

We also saw a significant increase in packages deliveries year-over-year, with spring and summer seeing the most drastic change as most of the country was locked down in mid-2020:

**Average Packages Deliveries Year-Over-Year**

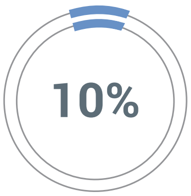
| Spring 2019 vs 2020 | Summer 2019 vs 2020 |
|---|---|
| **+147%** Increase YOY | **+130%** Increase YOY |

| Fall + Holidays: 2019 vs 2020 | Winter: 2020 vs 2021 |
|---|---|
| **+101%** Increase YOY | **+96%** Increase YOY |

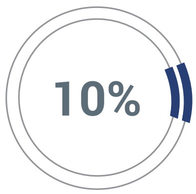
**TAKEAWAY:** Both order values and package deliveries are trending upwards, even as we move beyond the pandemic-era boom. With e-commerce only continuing to grow, it's important to measure how your business' bottom line is influenced by both customer spend and shipping costs.

**NOTE ON SHIPPO BENCHMARKING DATA: Aggregate totals represent all Shippo customers across industries; individual industry metrics represented here (apparel, beauty/skincare, electronics, health/wellness, sports & outdoor) do not collectively include all Shippo customer categories in aggregate**

# A look at online spending in the United States




The 22 lowest consuming states = less than 10% of e-commerce orders.



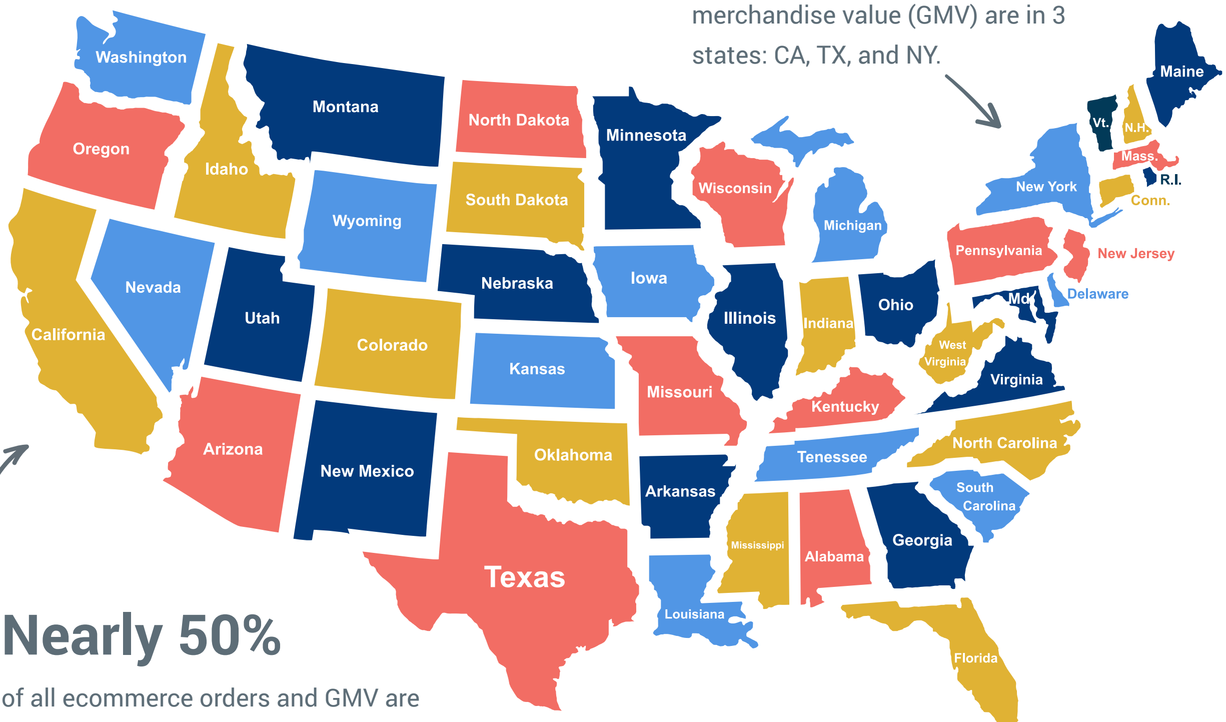

The 21 lowest consuming states = less than 10% of e-commerce GMV.


The 30 lowest consuming states = 20% of e-commerce orders.


The 30 lowest consuming states = 20% of e-commerce GMV.

## Nearly 30%

of all ecommerce orders and gross merchandise value (GMV) are in 3 states: CA, TX, and NY.




## Nearly 50%

of all ecommerce orders and GMV are in 8 states: CA, TX, NY, FL, IL, PA, NJ, and OH.

**NOTE ON SHIPBOB BENCHMARKING DATA: This data is aggregated across over 5,000 ShipBob customers shipping millions of orders, primarily from ecommerce stores (e.g, Shopify). Here are some stats (from Q1 2021)**

Per capita, the **most active buyers** are in DC, MA, OR, NH, and CO.

Per capita, the **least active buyers** are in MS, AR, KY, AL, LA, and WV.

Per capita, the **lowest spenders** by GMV are in MS, AR, LA, AL, and KY.

**Biggest spenders** by average order value (AOV) are in VT, MA, MT, AK, and ND.

**Lowest spenders** by AOV are in MS, NY, DC, NJ, and MD.

ShipBob


FUN
SHIPPING
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DID YOU KNOW?

### A FEW FUN FACTS LOOKING AT THE TOP 10 STATES IN REGARDS TO TOTAL ORDERS:

- In **Massachusetts,** the average consumer **spends 11.8% more per order than the rest of the US.** (In other words, the AOV of Massachusetts is 11.8% greater than other states.)

- In **Ohio**, the average consumer **places 49.8% fewer orders than the rest of the US**; and in **Texas** the average consumer **places 31.7% fewer orders** than the rest of the US. (In other words, Ohio buys 49.8% fewer orders per person than the other states, and Texas buys 31.7% fewer orders per person than the other states, despite being 2 of the largest states.)

- In **Massachusetts**, the average consumer **places 35.3% more orders than the rest of the US**; and in **New York** the average consumer **places 26.1% more orders than the rest of the US.** (In other words, Massachusetts buys 35.3% more orders per person than the average state, and New York buys 26.1% more orders per person than the average state.)

- **New Jersey ranks #7** as the state **with the most orders** but **#9 for the state with the greatest GMV.** This is the biggest delta for any state. (In other words, New Jersey has the biggest delta between total orders purchased in any state and average GMV, or on average they spend less on their orders than other states.)

### USING LOCATION DATA TO INFORM YOUR SHIPPING STRATEGY

While the stats above might seem arbitrary, understanding e-commerce order trends across states and regions, paired with shipping zone data, can help you optimize your fulfillment strategy and cater to more customers across locations.

Plus, taking a data-driven approach to your fulfillment location strategy helps you save money on shipping costs and reduce transit times.

### TAKEAWAYS:

- **Places in the "middle of nowhere"** such as far North US (e.g., in Montana and North Dakota) **are spending the most on single orders,** perhaps ordering a bunch of items at once to stock up since carriers have to travel farther to reach fewer people. This is also true in the Northeast states (e.g., Massachusetts and Vermont), which are smaller in area but are home to bigger spenders.

- Places in **highly populated areas spend less on average per order** (e.g., New York and Washington DC). This is likely because deliveries are so accessible and quick in major metro areas and hubs.

- Per capita, **the Northeastern states are placing the most ecommerce orders** (e.g., in Washington DC, Massachusetts, Delaware, and New Hampshire), potentially due to higher disposable incomes and strict COVID guidelines for in-person shopping.

- Per capita, **the Southern states are placing the fewest ecommerce orders** (e.g., Mississippi, Arkansas, Kentucky, Louisiana, and West Virginia). This could be because they had less strict COVID guidelines for in-person brick-and-mortar shopping.

- **The South spends the least amount of money on e-commerce orders** (e.g., Mississippi, Arkansas, Louisiana, Alabama, and Kentucky) perhaps because they are more accustomed to in-person shopping.

- **The coasts spend the most amount of money on ecommerce orders** (e.g., DC, Massachusetts, Oregon, and New Hampshire), likely because they are the most privy to ecommerce among all consumers in the US.


# Fluctuating Transit Times Over the Last Year

The COVID-19 pandemic completely disrupted supply chains and overloaded shipping carriers. While the carriers managed to adjust during the first several months of the pandemic, the holidays — an already busy time for the shipping industry — became more chaotic than ever before toward the end of 2020.

Holiday promotions started earlier than ever before in 2020, as shipping delays were a top concern. This came to fruition in Q4, as the COVID-19 pandemic shifted holiday shoppers online, which led to strained supply chains and capacity constraints for all shipping carriers. Carriers implemented COVID surcharges and then extended their holiday surcharges indefinitely to help offset the unprecedented demand.

The carriers did a great job of navigating the pandemic, even during tumultuous weather and a massive influx in ecommerce volume starting in April 2020. The drivers, packers, and other associates who delivered these packages were among our frontliner heroes of COVID.

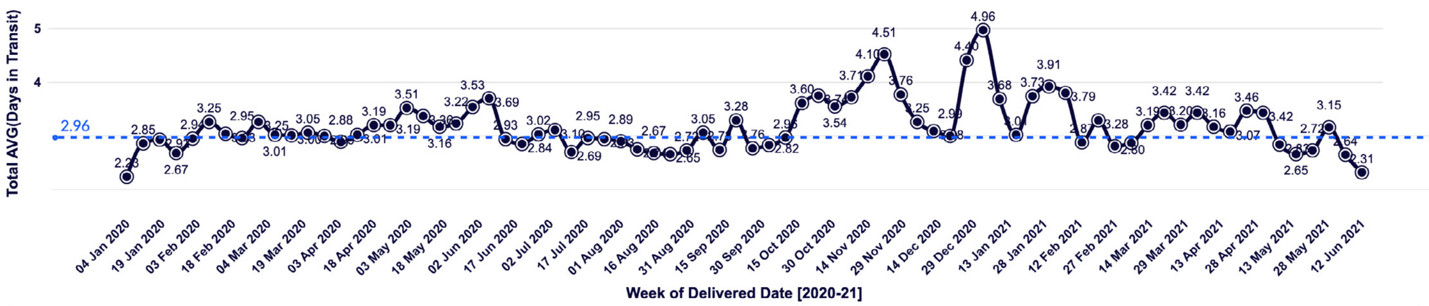
There is a lot we can learn from the data surrounding these events, which ShipBob aggregates across tens of millions of shipments for thousands of e-commerce brands. The shipping carrier transit data (updated weekly by ShipBob) shows time-in-transit averages for the four leading carriers in the United States from all of 2020, through May 2021, as compared to pre-COVID average transit times (shown via the dotted blue line).

Most carriers have achieved their pre-COVID levels, an amazing feat, even amid the continued pandemic (even before vaccinations had become widely available in the United States). The charts below show the peaks and valleys these carriers experienced throughout the pandemic, and how they've managed to recover.

| Week ending June 18th | AVG Transit Time | WoW Change | Compared to Pre-COVID-19 |
|---|---|---|---|
| UPS | 2.31 | -12.50% | -22.06% |


# UPS

Standard Ground




**2.31**
Avg Transit Time

**-12.50%**
WoW Change

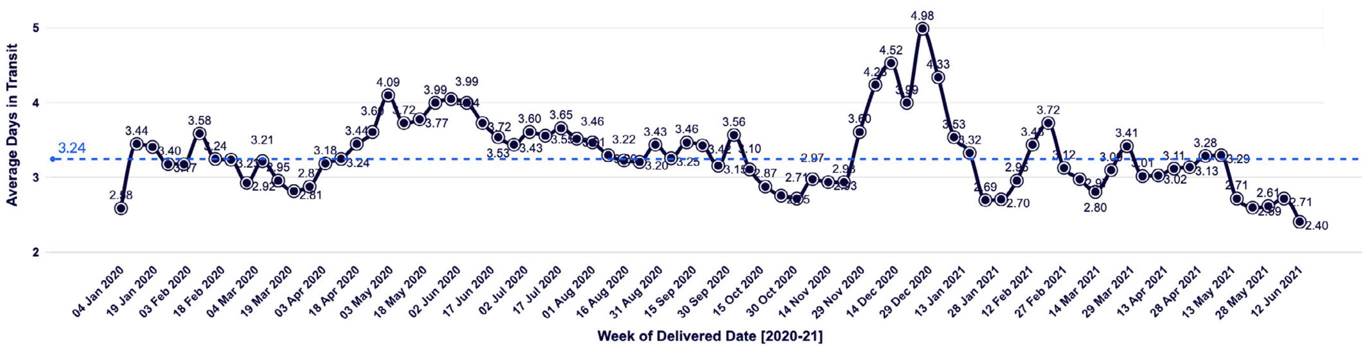
**-22.06%**
Compared To Pre-COVID-19

Pre-COVID, UPS Standard Ground had an average transit time of 2.96 days in the US. In the last week of December 2020, that got as high as 4.96 days. Most recently, there were back down to an average of 2.65 days, even faster than their pre-COVID levels.

| Week ending June 18th | AVG Transit Time | WoW Change | Compared to Pre-COVID-19 |
|---|---|---|---|
| FedEx | 2.40 | -11.44% | -25.97% |


# Fedex

Ground




**2.40**

Avg Transit Time

**-11.44%**

WoW Change

**-25.97%**

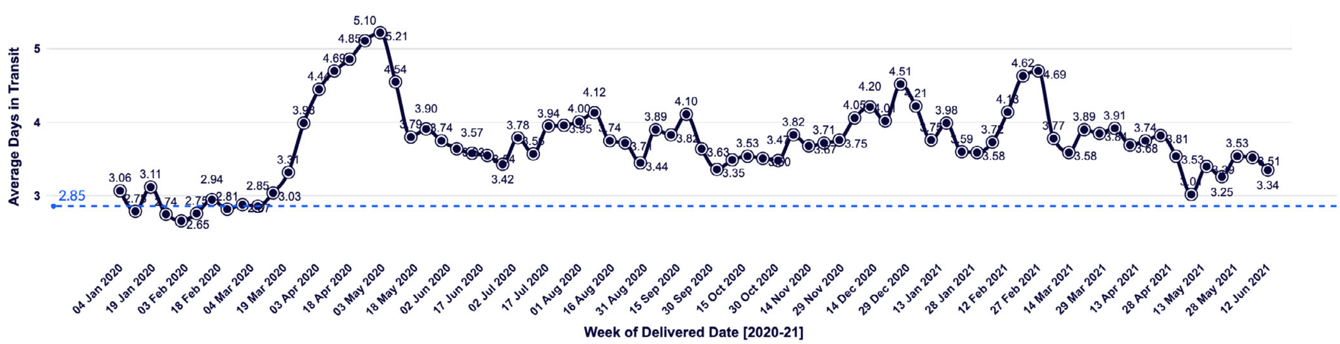
Compared To Pre-COVID-19

Similarly, FedEx Ground had an average transit time of 3.24 days pre-COVID, which during the second to last week of December hit an all-time high of 4.98 days. Most recently, they've been averaging 2.71 days, which is significantly lower than their pre-COVID transit times.

| Week ending June 18th | AVG Transit Time | WoW Change | Compared to Pre-COVID-19 |
|---|---|---|---|
| DHL | 3.34 | -4.84% | 17.03% |


# DHL

## E-Commerce Ground




**3.34** Avg Transit Time

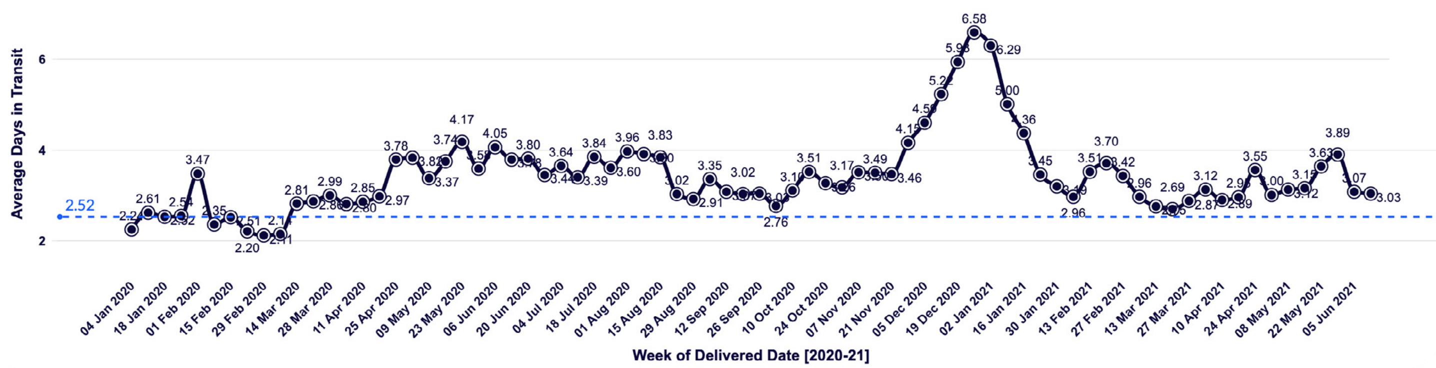
**-4.84%** WoW Change

**17.03%** Compared To Pre-COVID-19

DHL Ecommerce Ground averaged a 2.85 day transit time before COVID, experienced an all-time high of 5.21 days the last week of April 2020, mellowed out, then had additional peaks in mid-December and mid-February. By the end of April and early May 2021, their average transit time was back down to 3.01 days.

| Week ending June 18th | AVG Transit Time | WoW Change | Compared to Pre-COVID-19 |
|---|---|---|---|
| USPS | 3.03 | -1.30% | 20.05% |

# USPS


**3.03**
Avg Transit Time

**-1.30%**
WoW Change

**20.05%**
Compared To Pre-COVID-19

Finally, USPS had a 2.52 day average transit time pre-COVID, which shot up to 6.58 days in mid-December. Today, they are back to a 3.15 day average transit time — less than half the time it took for a package to be delivered during peak.

# Merchants are Preparing for E-Commerce Returns

With more e-commerce orders inevitably comes more e-commerce returns, but Shippo data shows that the rate of returns is actually fairly low, especially for industries such as Beauty/Skincare, Electronics, and Sports & Outdoor.

**Rate of returns**

1.35%

**Across specific industry categories:**

| | |
|---|---|
| 3.58% | Apparel |
| 0.14% | Beauty/Skincare |
| 1.17% | Electronics |
| 2.05% | Health/Wellness |
| 2.68% | Jewelry |
| 1.35% | Sports & Outdoor |

Understanding your own rate of returns and measuring it against these benchmarks can help you decide where you should refine both your online sales and returns strategies to meet industry averages.

Consumers expect the returns process to be easy, and this can be a make-or-break for ultimately deciding on an online purchase. While returns may not be optimal for merchants, they do need to be addressed as an industry norm, and therefore built into every merchant's e-commerce strategy. With the relatively low rate of returns highlighted above, the risk of having an item returned is well-worth the reward of delighting a customer and winning their loyalty with a seamless experience. Including a return label in your packages as a "just in case" — only paid for once a return is initiated — can help you accomplish exactly that.

# E-Commerce Merchants Are Shipping Globally

The beauty of e-commerce vs brick and mortar is that it opens businesses up to the whole wide world — and we can see from Shippo's data that merchants are taking advantage.

Shipping internationally can add even more complexity to a business' already-complex logistics network, but if growth and expansion are the objectives, it's crucial to build global accessibility and reach into your e-commerce strategy.

**INTERNATIONAL SHIPPING - US-BASED:**

**55%**

Electronics Industry Shipped Internationally

**60%**

Jewelry Industry Shipped Internationally

**59%**

Sports & Outdoor Industry Shipped Internationally

**41%**

Apparel Industry Shipped Internationally

**35%**

Beauty/Skincare Shipped Internationally

**36%**

Health/Wellness Shipped Internationally

**INTERNATIONAL SHIPPING - NON US-BASED:**

**60%**

Non-Us Based Merchants Shipped Internationally Overall

# Top International Destinations:


**NOTE ON SHIPPO BENCHMARKING DATA:** Aggregate totals represent all Shippo customers across industries; individual industry metrics represented here (apparel, beauty/skincare, electronics, health/wellness, sports & outdoor) do not collectively include all Shippo customer categories in aggregate

# SHIPPING TRENDS TO WATCH

## Shipping Trends to Watch

Consumer expectations around fast and free delivery times are demanding. The pressure ecommerce businesses of all sizes face to match the logistics of major companies like Amazon is enormous (or risk their customers going elsewhere), but fortunately there are strategies that can be implemented at various stages of growth to help combat this.

### SHIPPING STRATEGIES THAT REDUCE CART ABANDONMENT AND INCREASE AOV

Despite shipping costs increasing every year, free shipping on ecommerce orders has only gained steam over time. In fact, 68% of US online shoppers surveyed stated they didn't make a purchase more than half of the time if the brand didn't offer a shipping incentive such as free shipping. Brands that do this successfully offset the costs by increasing AOV, extending their customer lifetime value, and optimizing their supply chain.

Free shipping has proven to be the top website banner that matters from a conversion standpoint and is also very effective to message out across other channels (email, social, etc.). Most often you'll see bundles or upsells used, and/or a minimum spend threshold offered in exchange for free shipping. From offering free 2-day shipping on orders, some ShipBob customers have been able to increase AOV by 97% and even reduce cart abandonment by 18%.

Continued on next page →



### CENTRALIZE SHIPPING OPERATIONS TO BETTER UNDERSTAND AND OPTIMIZE SPEND

While it may seem simple on the surface, shipping operations — from choosing the right carrier and service level to getting ahead of returns — involves a lot of moving parts, and each of them play an important role for your e-commerce business. By centralizing everything from order fulfillment data and real-time carrier rates to address validation and label creation, you can get a more holistic view of A) where you can **immediately save,** and B) how you can make changes to **optimize spend and grow your business down the line.** For example, e-commerce merchants who use Shippo as their full-service shipping platform save up to 90% on shipping labels, and ultimately see around 77% business growth year-over-year.

### FULFILLING FROM CLOSER TO YOUR END CUSTOMERS

One of the biggest trends we saw in 2020 (and into 2021) was the decision for brands to split inventory across multiple fulfillment centers. The increasing value of utilizing multiple fulfillment centers was amplified when fulfillment centers shut down due to COVID outbreaks, as well as hurricanes in the South, storms in the Northeast, and other natural disasters over the last year. During such weather events that prevented carriers from traveling, for customers who distributed their inventory, ShipBob was able to route a majority of orders to alternative fulfillment centers (that also held their inventory and were less impacted by the weather) to fulfill orders on time. For example, this played out with winter storms and other harsh weather conditions that left Texas-based facilities without power in February 2021, caused carriers to cancel pickups, and prevented employees from showing up to work due to government-declared states of emergency or poor road conditions.

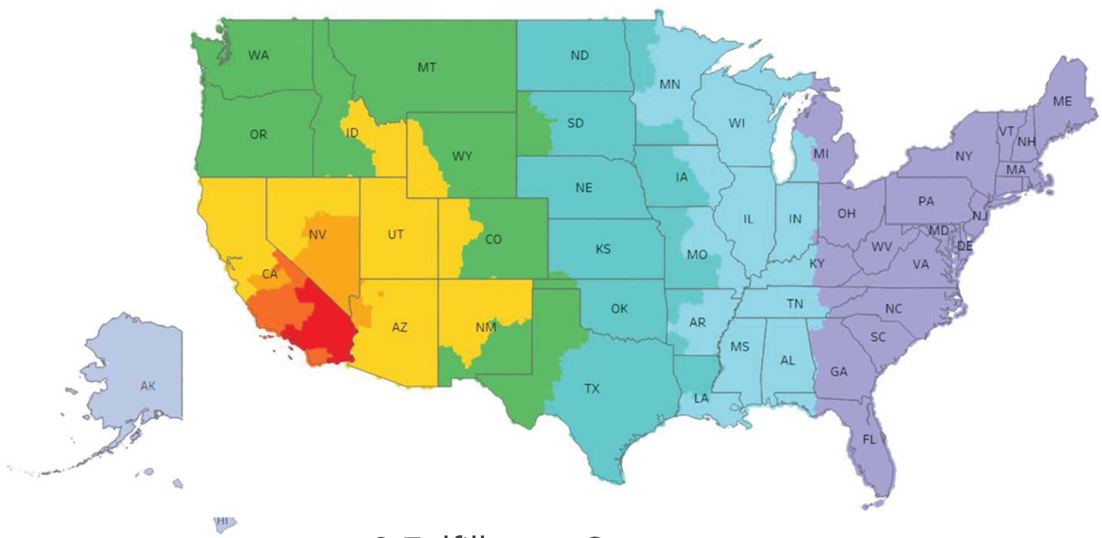
“One of the biggest trends we saw in 2020 (and into 2021) was the decision for brands to split inventory across multiple fulfillment centers.”

Not only did this strategy serve as a good backup plan, it also helped to reduce average shipping costs. Since shipping carriers use shipping zones to measure the distance a package travels for domestic shipments in the contiguous US — with the point of origin being Zone 1 and the destination being as far away as Zone 8 — the higher the zone, the more money it will cost.

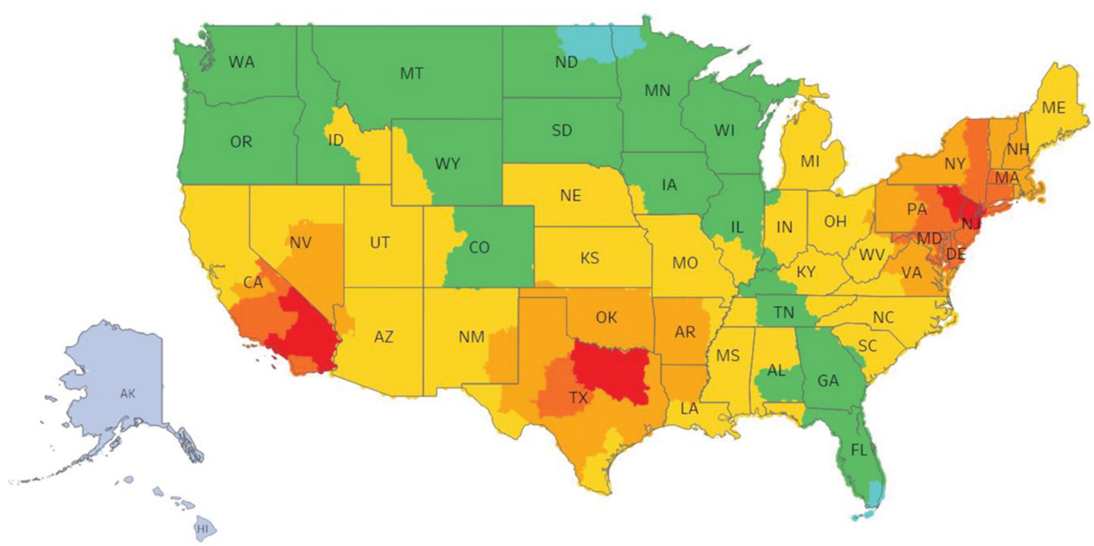
The chart below shows how using three locations (in Moreno Valley, California; Dallas, Texas; and Bethlehem, Pennsylvania) compared to just one in Moreno Valley, California can contribute to a reduction in average zones and the elimination of the several top zones. Because the three fulfillment center locations are in populous regions, many of the areas remaining in higher zones include some physically large states that are small in terms of population (thus, have fewer orders). In fact, some ShipBob customers have seen that distributing inventory across several fulfillment centers can [reduce shipping costs by 25%] and bring a [13% cost savings] to their bottom line.

## Map Of Continental United States: Shipping Zone Coverage By Fulfillment Center Location

1 Fulfillment Center




3 Fulfillment Centers




**LEGEND**

Zone 1 | Zone 2 | Zone 3 | Zone 4 | Zone 5 | Zone 6 | Zone 7 | Zone 8 | Zone 9

## To Reduce Shipping Zones And Costs, You Can:

1 **Analyze** historical order and zip code data to reevaluate your optimal fulfillment locations (ShipBob provides this analysis for brands we work with).

2 **Determine** if a more central warehouse location would benefit your business if you're often shipping from one side of the country to the other, or even a bi-coastal strategy.

3 **Calculate** what your shipping costs would be if you went from one fulfillment center to two (or two to three, and so on) by experimenting with different locations, and how those would be offset by the additional transportation and warehousing costs you would incur (though no leases, equipment, and infrastructure expenses if you outsource fulfillment to a 3PL).

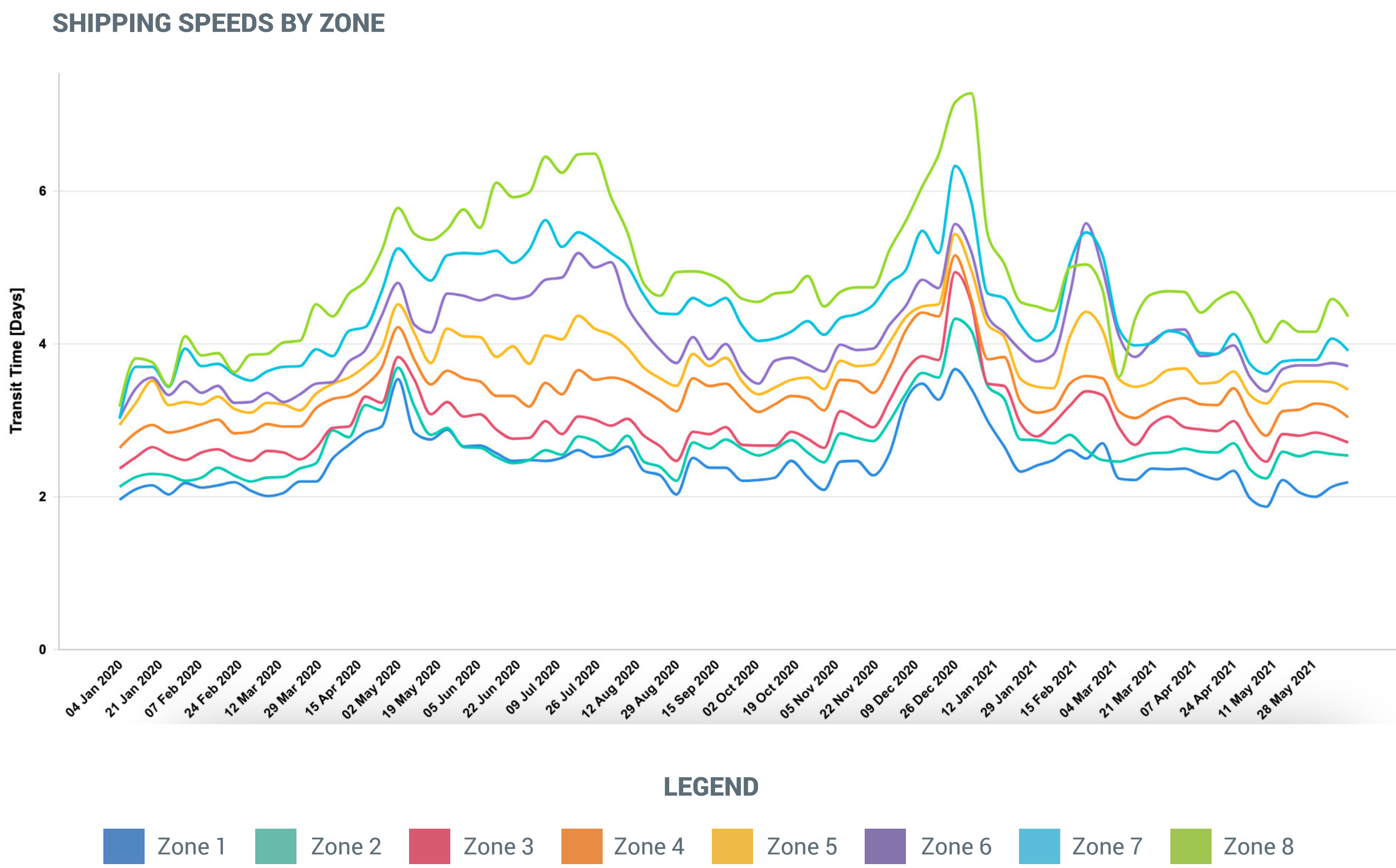
In addition to reduced costs, distributing inventory also helps speed up transit times. While anybody can ship in two days from one location via expedited air, the costs are very high, causing a major hit to margins and profitability. If you can offer this same delivery service level and experience, without relying on air, you can keep costs and transit times low.

For example, the [zone data below](#) is based on ShipBob's standard ground transit times (across all carriers) from click-to-delivery (i.e., when a customer places an order to when it is delivered to the shipping destination), broken out by shipping zones across the United States (with the data updated weekly by ShipBob).

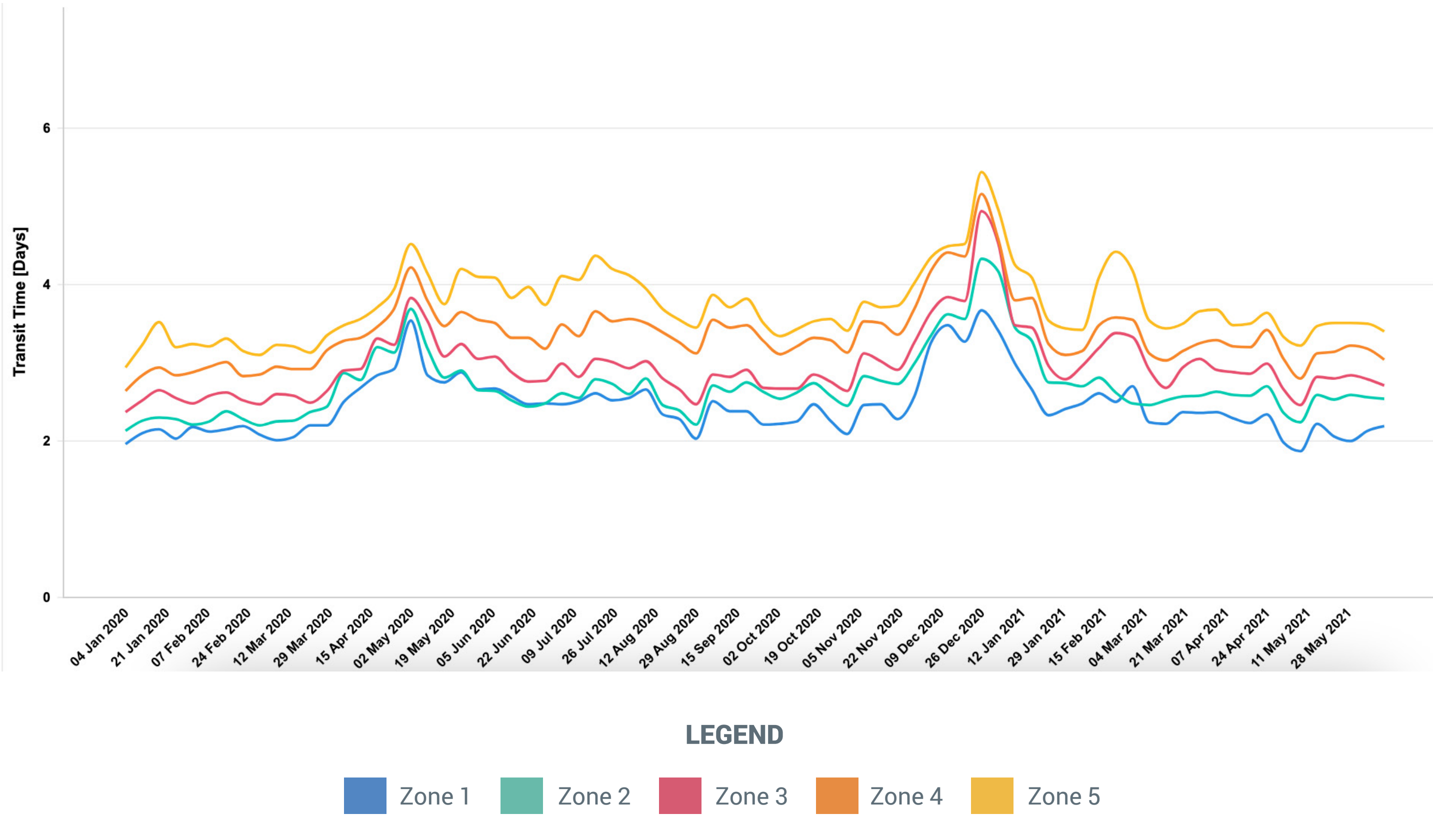
The top line (light green) represents the average Zone 8 shipment over time. Unsurprisingly, it is consistently the slowest zone to ship to, ranging from just over 3 days to 7.27 days at the very end of peak season 2020, just before 2021).

The bottom line (dark blue) represents the average Zone 1 shipment over time. The average for this more 'local' delivery ranged from 1.86 days to 3.66 days at the height of the 2020 holiday season.

Going back to the example of using 3 fulfillment centers across different regions of the US, where we eliminated the highest several zones, we can now see below that the longest average transit time for the highest zone (Zone 5) is 5.43 days (a reduction of almost 2 days from the previous longest transit time with Zone 8), with the lowest average of Zone 5 at just over 3 days (and most of the Zone 5 destinations are in the least populated states, which make up the fewest amount of orders).



**SHIPPING SPEEDS BY ZONE**




# Improving Operations and the Customer Experience

Logistics matters for DTC brands — from having enough product in stock for customers, to delivering orders quickly — and it can affect the entire customer journey. Below are some ecommerce shipping and fulfillment best practices to help provide a good customer experience in 2021.

## CONTINUOUSLY EVALUATE SHIPPING PERFORMANCE

While consumers understand that carriers have been overburdened throughout the pandemic, being upfront and keeping them in the loop goes a long way. Here are a few tips to improve the customer experience:

- Look at shipping carrier transit data to understand carrier performance and share it with customers.
- Switch services or carriers if what you're currently using doesn't meet your business' needs.
- Include potential shipping delays that are outside your control on your website, your order confirmation page, your confirmation email, and other important touchpoints.

## AUTOMATE PROCESSES FOR MORE RELIABILITY AND EFFICIENCY

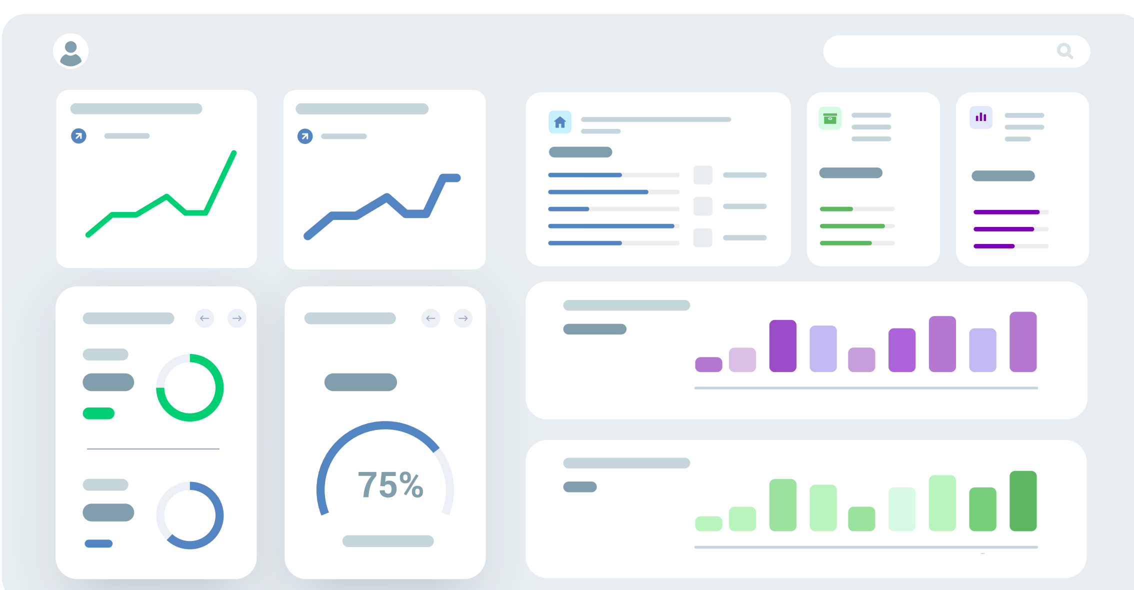
As your e-commerce business grows, keeping track of all the different ways you ship — ensuring a particular item always goes out in a specific box type, for example, or that the carrier is always selected for a certain type of package — can become complex and slow you and your process down. Keeping all those "if this, then that" type rules in your head can get confusing, adding unnecessary stress to your shipping process, taking up valuable time, and potentially even leading to shipment mistakes that disrupt your and your customer's experience.

Automating your shipping process can help you become more efficient if you use the same type of package type or carrier and service level for all or even most of your e-commerce shipments. Creating rules around properties such as order weight, item name, or destination, for example, enables Shippo customers to ship packages 50% faster and eliminate 75% of shipping errors to improve the e-commerce experience for their own customers.

## Get Analytical

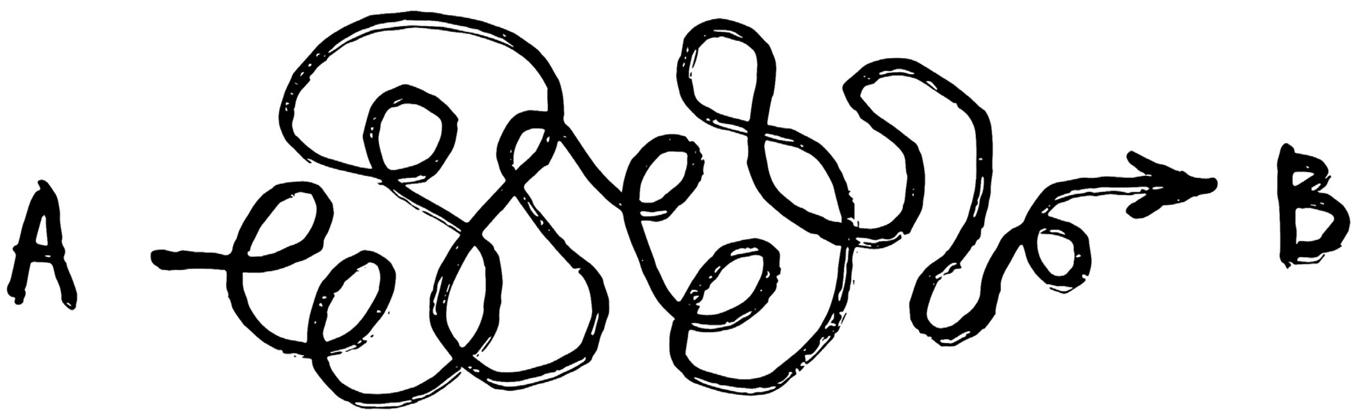
Having a deep grasp on your supply chain and shipping operations can help you further optimize for costs and the customer experience. Getting answers to the questions below may provide additional insights. (Note: If you outsource fulfillment to ShipBob, you get access to a free analytics tool that provides these answers but you can manually aggregate and calculate them too.)

- How many days do I have left until a SKU will be out of stock?
- How often is each product sold across channels?
- If I run a promotion on my site, how will this affect my available inventory levels?
- How does product demand compare to previous periods?
- Which shipping methods do my customers choose most often?
- What is the average cart value and cost by shipping method?
- How much is my overall shipping spend?
- How long does it take for my orders to be delivered by shipping method?
- Which orders haven't been delivered yet?
- Which states do I ship the most orders to?
- Which items are not generating sales and incurring storage fees?



### EVALUATE YOUR OPERATIONS OVER TIME

Continuously review your operations and consider what you need to get to the next level of growth including long-term scalable solutions, whether it's expanding in-house, optimizing shipping operations, or outsourcing to a 3PL that offers a global fulfillment network, where you can start out small by storing inventory in one fulfillment center, then expand into more as you grow. This way, you can easily launch into new markets and add new sales channels while managing back-office logistics.




## Facing New Challenges in E-Commerce Logistics

There were a number of supply chain issues ecommerce brands faced over the last year:

- Delays at ports, especially in California (Port of Los Angeles and Port of Long Beach) due to an acceleration of imports, while there was a growing backlog of cargo, along with increased costs (up to more than 3x). In Long Beach, for example, the ports were delayed by up to two months, with some shipping companies warning that these issues could last throughout the entire year.

- A sudden scarcity of raw materials and components, leading to manufacturing delays.

- Changes in product demand (e.g., for hand sanitizer) caused many stockouts.

- Many factories and warehouses faced closures due to COVID outbreaks, which disrupted the fulfillment and distribution process.

- Shipping carriers were stretched beyond capacity, which slowed down the last-mile delivery in many areas because the COVID-19 pandemic shifted many holiday shoppers online

- The Suez Canal became blocked, which held up inventory from the cargo on board the ship, as well as other ships that couldn't move through their planned routes.

# Common Mistakes and Lessons Learned

Here were several of the most common mistakes e-commerce brands made and top lessons learned from the last year:

- Not ordering enough inventory from manufacturers or suppliers, causing out-of-stock issues, back orders, and wait lists. (Note: There is a risk of ordering too much inventory, leading to high inventory carrying costs and the potential for outdated, expired, or unusable products.)

- Not expanding into additional fulfillment centers soon enough (i.e., only fulfilling from one warehouse as order volume grows, while paying a higher average shipping cost than needed, slowing down deliveries for end consumers, and not spreading risk in the event of a COVID outbreak, severe weather event, or other situation that causes a warehouse to shut down or prevents carriers from picking up).

- Trying to get started in too many fulfillment centers too soon, which becomes costly if the average savings per shipment doesn't justify the additional expense (e.g., if your product catalog has 1,000 SKUs and you want to be in 3 fulfillment centers to reduce shipping costs and transit times, but you are then stuck paying for 3,000 storage units, in addition to the extra costs for receiving inventory, transportation costs to move products into new locations, etc.).

- Having all manufacturing abroad or only relying on one manufacturer.

- Not evaluating carriers (from global to regional carriers) and relying on options that don't fit the business' needs.

- Siloing the e-commerce tech stack instead of integrating systems and technologies to streamline processes.

- Not considering returns as part of the overall e-commerce shipping strategy.

# Looking Ahead Into the Future of E-Commerce

Over the last year, e-commerce brands have faced a lot of uncharted territory, from lockdowns which led to an e-commerce boom, to manufacturing closures that led to prolonged stockouts. As the US and rest of the world open back up, e-commerce merchants will be more prepared to adapt with greater flexibility. Even once COVID is entirely behind us, forward-thinking businesses will still understand there will always be the next supply chain issue and seek to improve forecasting, be nimble, and diversify their supply chain.

As your business grows, you will likely need to revisit and optimize your shipping and fulfillment strategy to stay ahead of competition and meet customer expectations around fast and affordable shipping.

## Learn more about Shippo

Founded in 2013, Shippo provides a leading shipping platform designed for growing e-commerce businesses, and connects seamlessly to e-commerce platforms, marketplaces, and warehouses. The company helps more than 100,000 businesses get real-time shipping rates, print labels, automate international paperwork, track packages, facilitate returns, and more. Shippo's multi-carrier platform provides access to 85+ carriers and helps businesses navigate the complexities of shipping so that they can achieve their highest potential.

**Learn more about Shippo and sign up for your free account here.**

## Learn more about ShipBob

ShipBob is a tech-enabled 3PL that lets you outsource the entire fulfillment process. We don't just store your inventory and pack and ship orders — we provide best-in-class technology, integrations, and data.

**Learn more about ShipBob here or request pricing here.**

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