



First Choice for Last Mile

Eye on Last-mile Delivery

Retail Preview



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Key Themes

How to Achieve Superior Retail Last-mile Deliveries

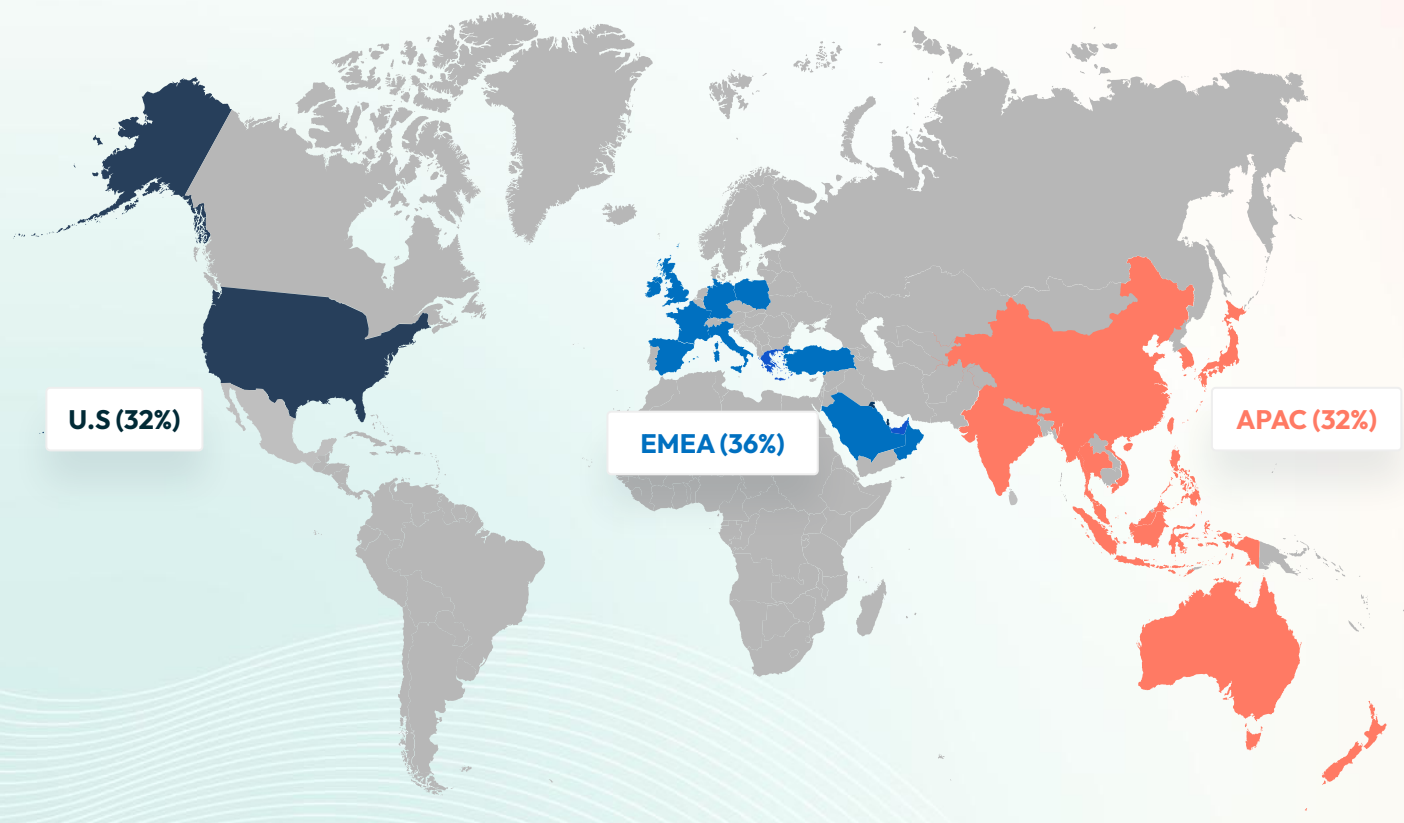
- Minimize Delivery Costs
- Enhance Consumer Experiences

Diversifying Delivery Networks

- The Benefits
- The Need for Control

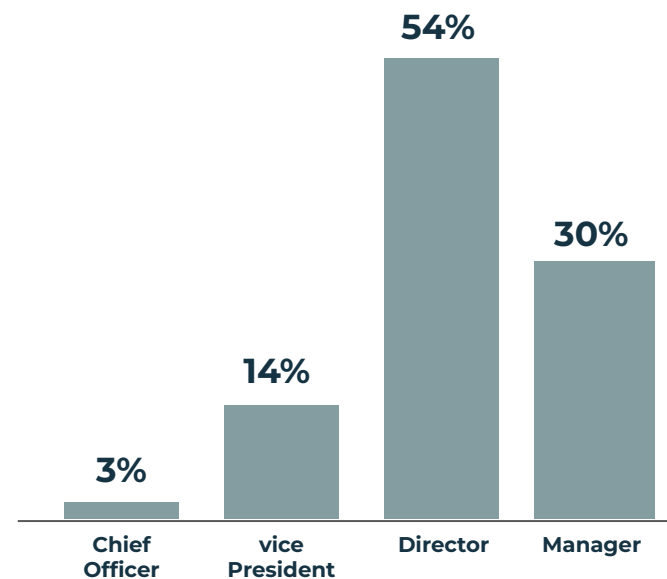
The True Cost of Online Returns

Methodology



n= 194 Retailers

Job Title Distribution:

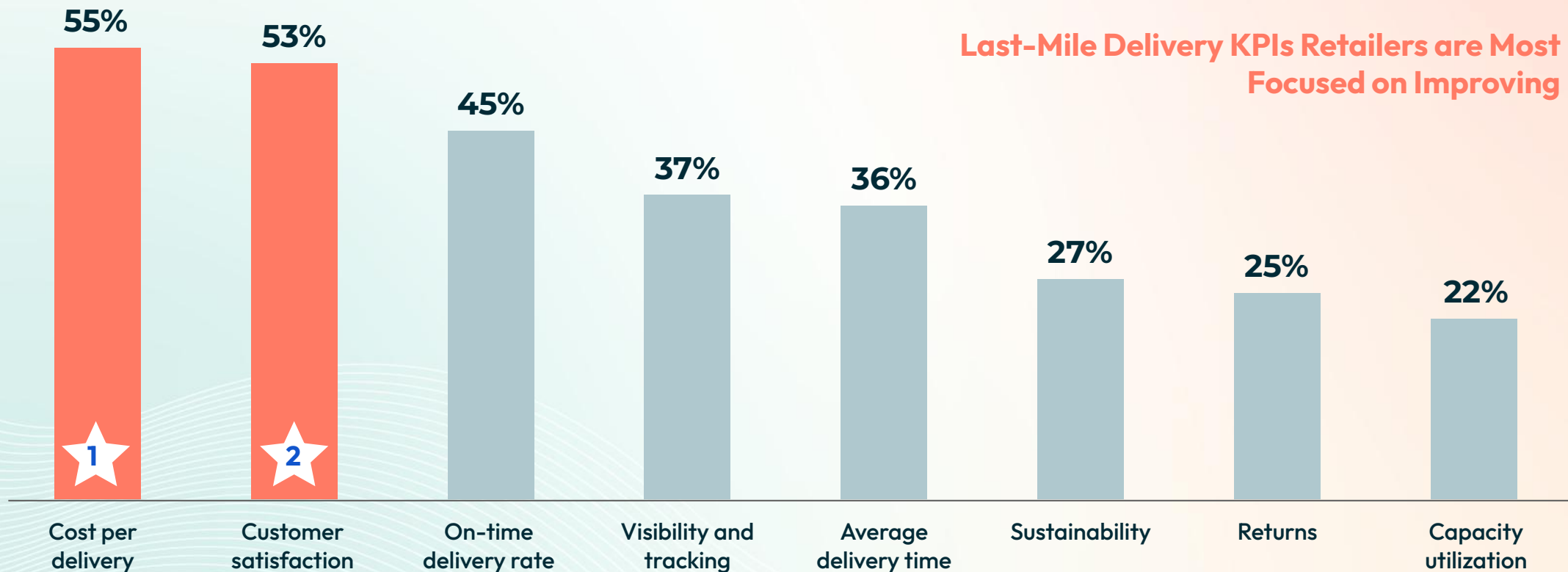


Online survey conducted among retailers worldwide | Survey conducted November 2022

How to Achieve Superior Retail Last-mile Deliveries



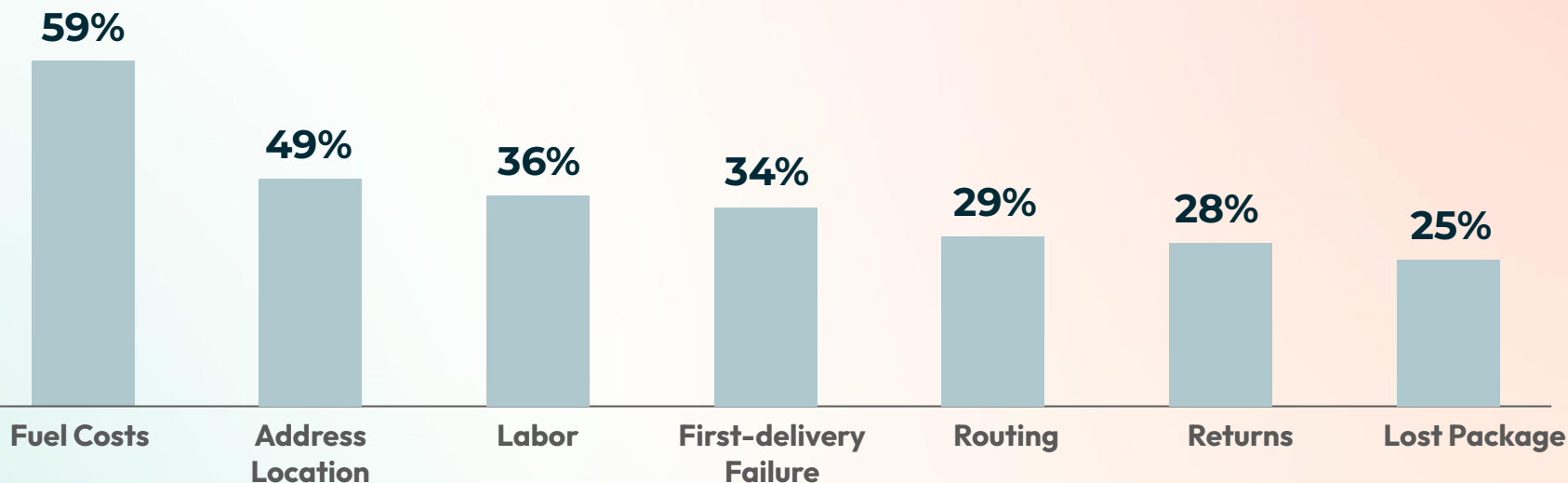
Simultaneously reduce delivery costs while enhancing consumer experiences



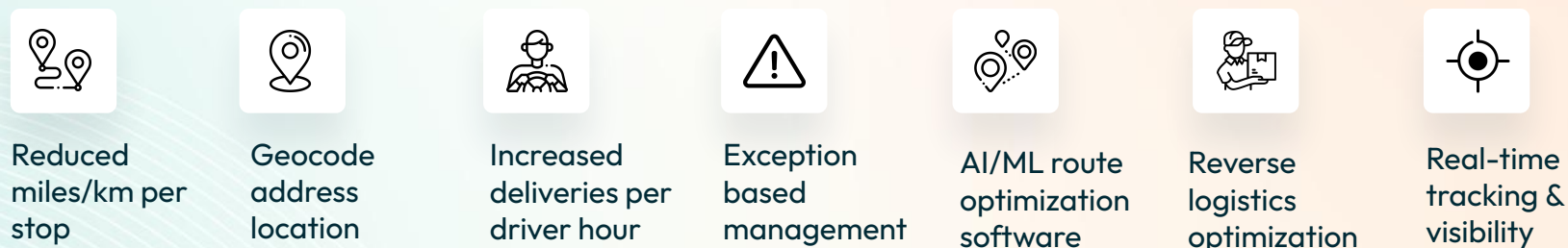
FarEye Retail and Logistics Survey. November 2022. n=194 retailers in U.S, EMEA and APAC.

Reduce Your Cost per Delivery

Major Factors Retailers Claim Contribute to High Last-Mile Delivery Cost



How Last-mile Delivery Platforms Solve



Enhance Your Consumer Delivery Experience



Elements that Create a Positive Consumer Delivery Experience - Ranked, Among U.S Consumers

How Last-mile Delivery Platforms Solve

1	Fast delivery			Enhanced carrier allocation, routing
2	Low shipping costs			Efficient carrier & capacity utilization
3	Delivery tracking			Real-time visibility and tracking
4	Easy returns process			Reverse logistics optimization
5	Sustainable deliveries			Maximized utilization, minimized mileage
6	Ability to select delivery windows			Increased SLAs, communicated at checkout

FarEye Last Mile Mandate Survey. June 2022. n=1,264 U.S consumers.

Delivery Networks are Diversifying

Outsourced Delivery Network

Past

Future

57%

of retail last-mile delivery networks have become **more outsourced in the past 5 years**

59%

of retailers anticipate their last-mile delivery networks to become **more outsourced in the next 5 years**

Benefits Retailers Have with Outsourced Delivery Networks, % Claiming:

64%



Faster Delivery

46%



Flexibility

43%



Increased Capacity

37%



Reduced Cost

36%



Scalability

But Retailers Need More Control



The Status Quo is Not Optimal

84%

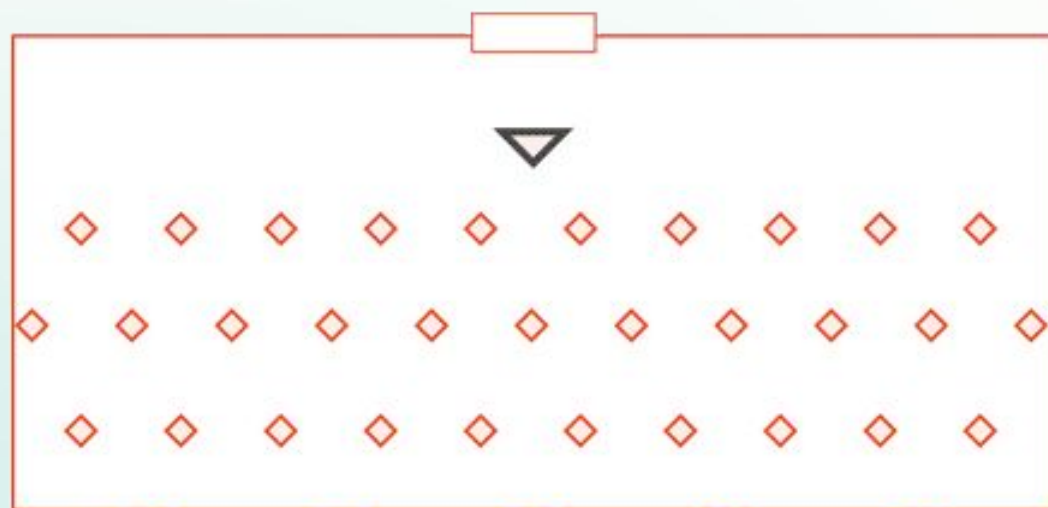
of retailers claim their organization needs **more control** of their **outsourced** delivery networks than they currently have

Challenges Retailers Have with Outsourced Delivery Networks, % Claiming:



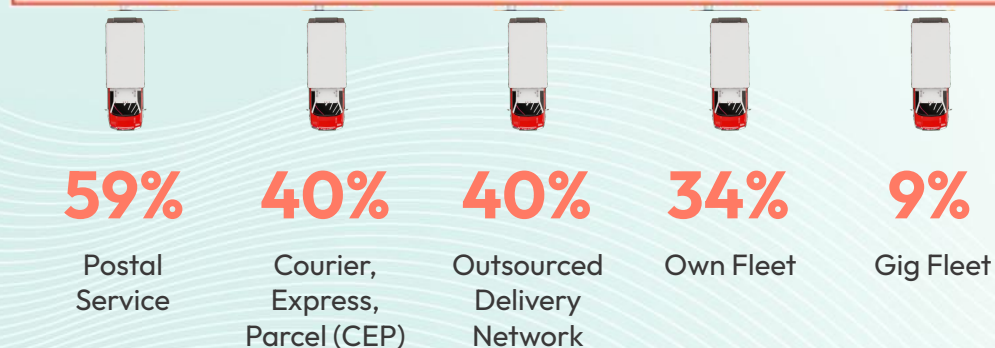
Centralized Control, Diversified Delivery Networks

Fleet Types Retailers Use for Last-mile Delivery, Global



Centralized Control

- Standardized
- Automated
- Visible



Diversified Flexibility

- Customized
- Localized
- Agile



Reverse Logistics Math

The True Cost of Online Returns

Industry Statistics

30% Online Order
Return Rate¹

4% *Forward Logistics
Cost as % of Sales

60% **Reverse
Logistics Cost
as % of Sales²

25% % of Returned Orders
Thrown Away³

* Assumes \$2 shipping cost to company on standard \$50 order

** Customer Care, Transportation, Processing, Discounting and Liquidation Cost

Sources: [1] Invesp. [2] WSJ. [3] NPR.

\$1B Retailer Example



Sales Returned

\$300,000,000



Delivery Cost

-\$12,000,000



Return Cost

-\$180,000,000



Inventory Cost

-\$75,000,000

**Total
Cost**

-\$267,000,000

27% of Total Sales

89% of Sales Returned