



The future of e-commerce logistics

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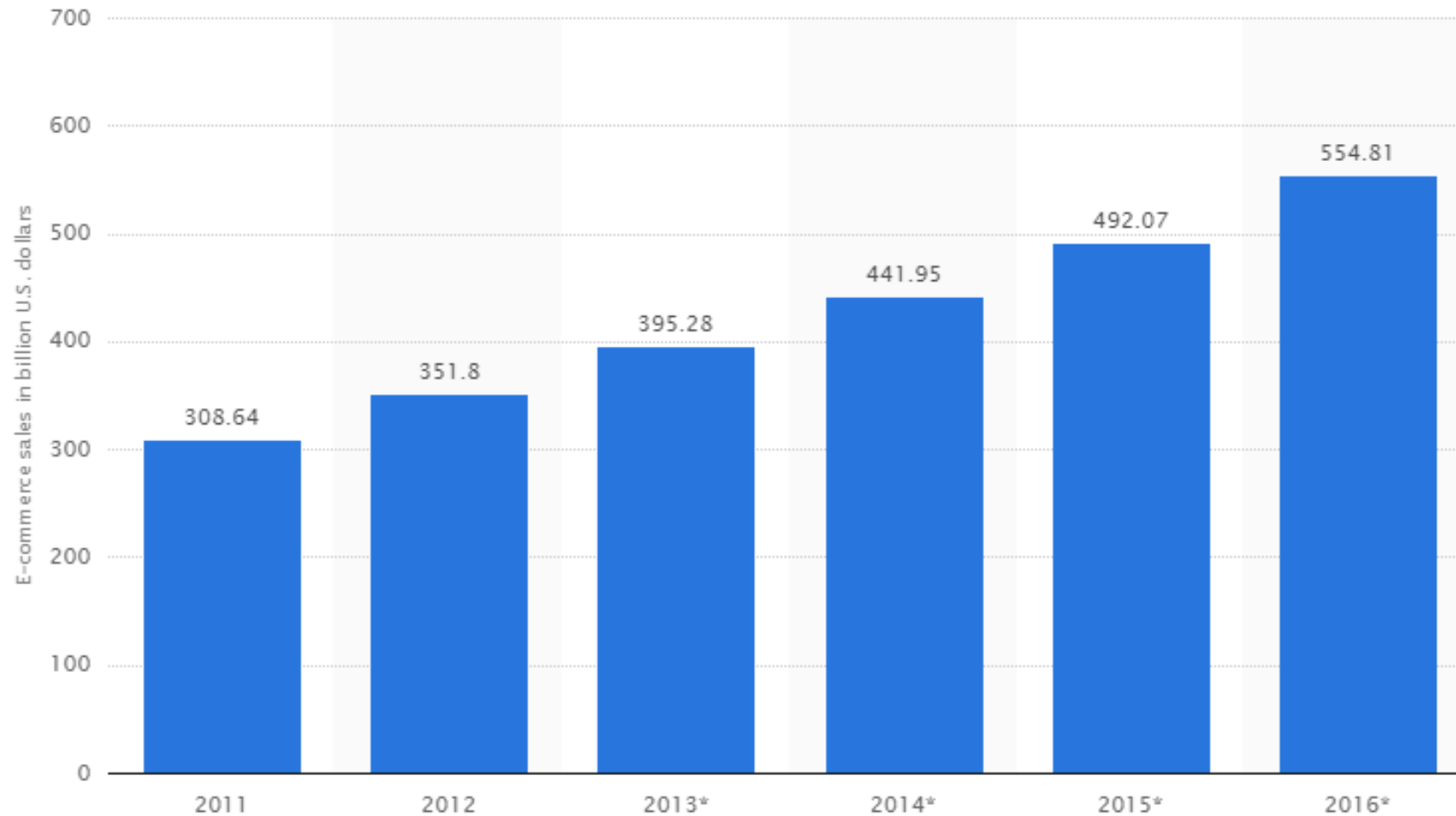
where is e-commerce going

- the e-commerce proposition
- the changing consumer ...
- traditional delivery models need a transformation



e-commerce growth

B2C e-commerce sales in the United States from 2011 to 2016 (in billion U.S. dollars)

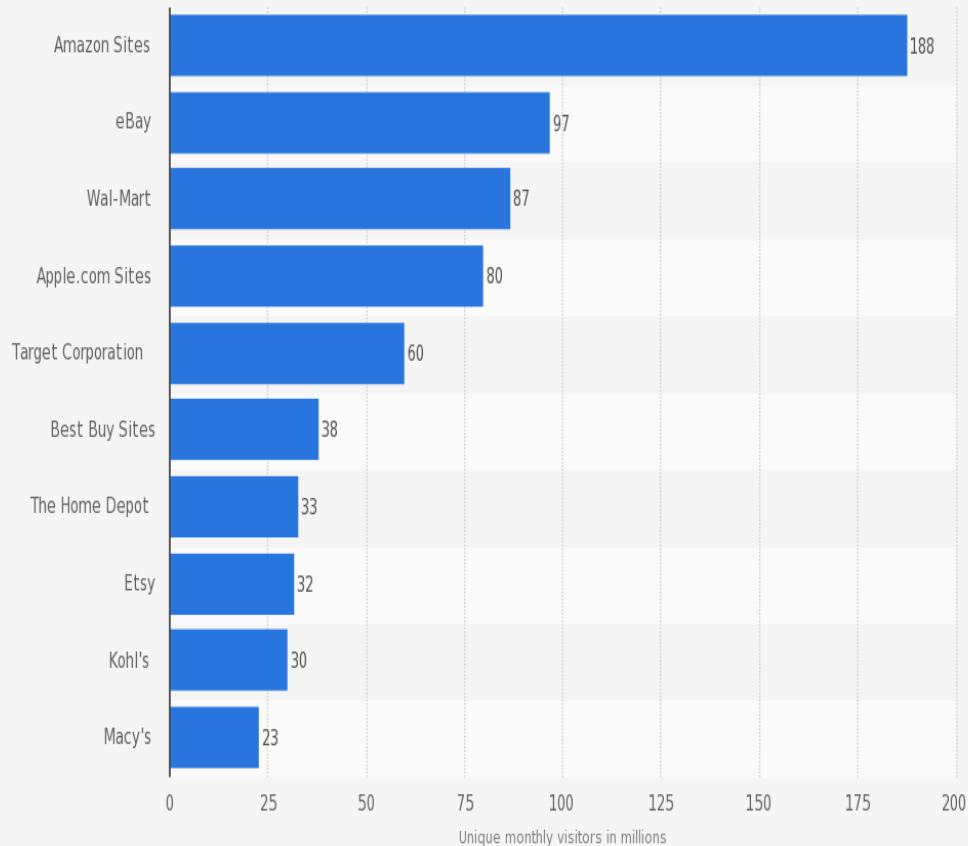


B2C / B2B relationship

Comparison	B2B	B2C
Customer	Company	End user
Focus On	Relationship	Product
Shipment Characteristics	Large	Small
Relationship	Supplier - Manufacturer Manufacturer - Wholesaler Wholesaler - Retailer	Retailer - Consumer
Relationship horizon	Long term	Short term
Buying and Selling cycle	Lengthy	Short
Buying Decision	Planned and Logical, based on needs.	Emotional, based on want and desire.
Creation of Brand Value	Trust and Mutual Relationship	Advertising and Promotion

Who are the players driving growth

Most popular retail websites in the United States as of September 2015,
ranked by visitors (in millions)



Source:
comScore
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Additional Information:
United States; comScore; September 2015; multi-platform

statista

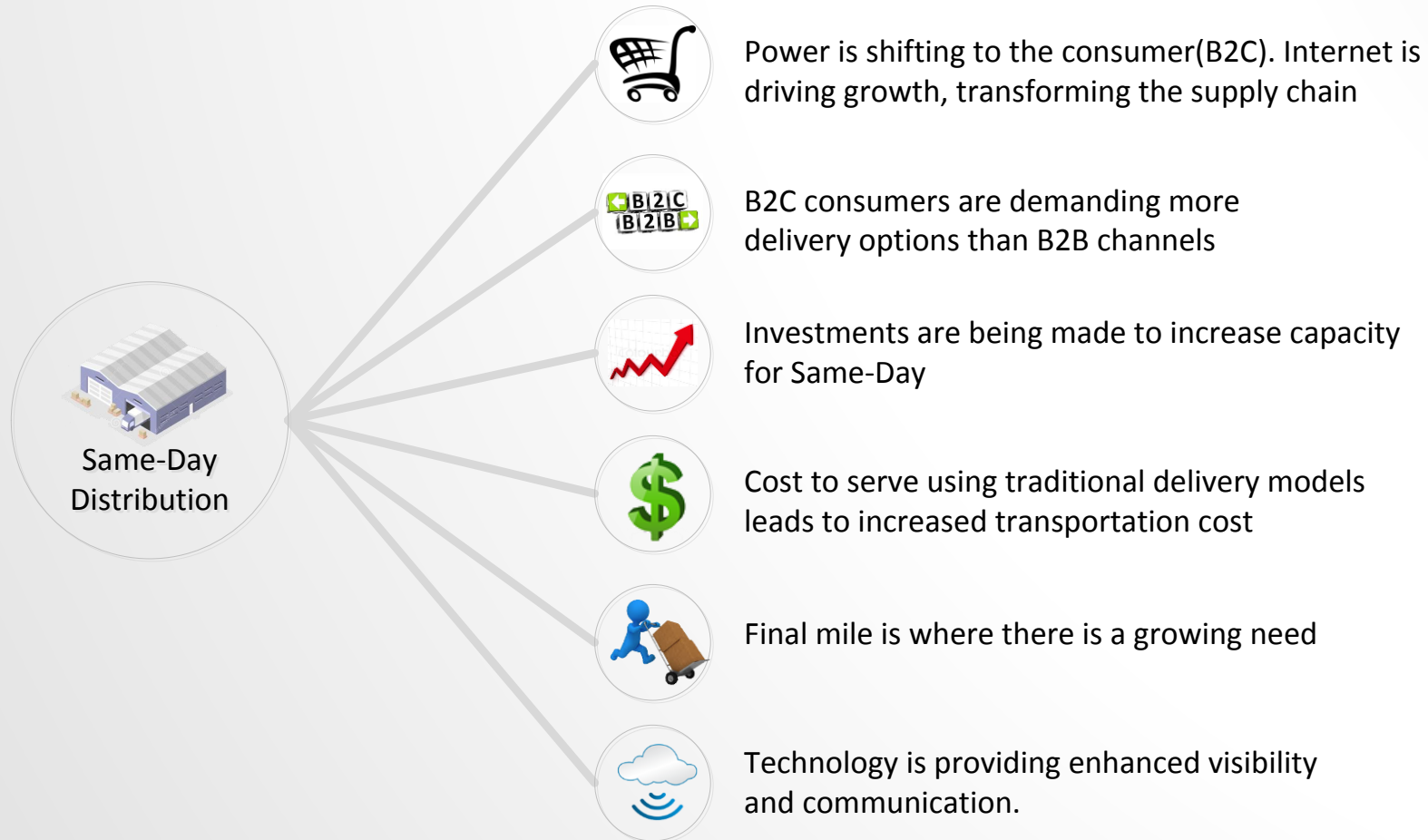
• Total e-commerce sales for 2015 were estimated at \$341.7 billion, an increase of 14.6 % vs. 2014. (Dept. of commerce)

• Internet traffic switch :

- electronics
- home essentials
- fashion
- home improvement products

Q4 2015: A shift in consumer buying behavior is seen by traditional sales increases by 1.3% vs. ecommerce at 14.7% year over year.

Key drivers for Same – Day distribution



Growth of Same-Day distribution

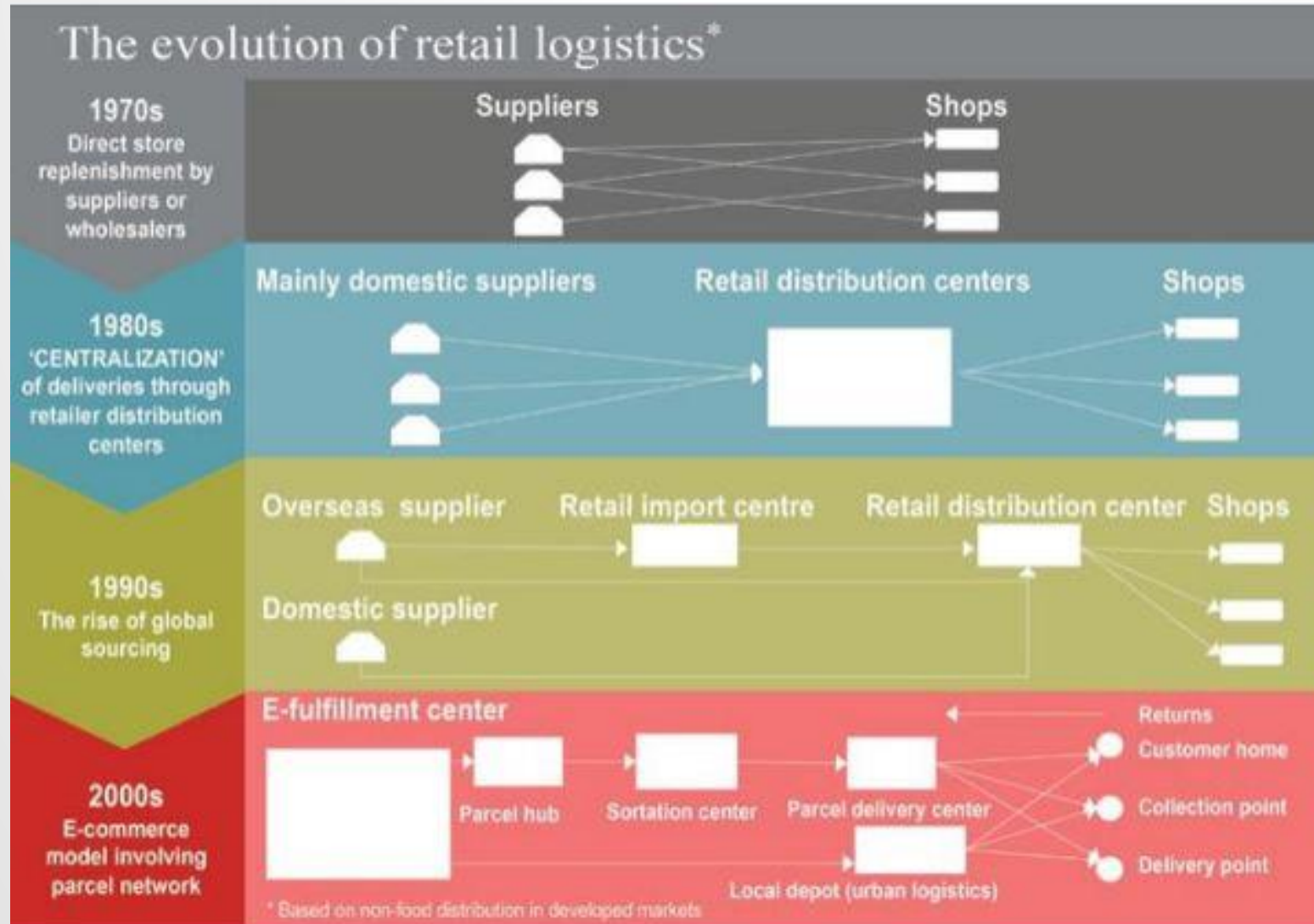
- Consumers are demanding Same-Day as an upgrade option instead of next day delivery, which is driving shippers to offer Same-Day as a standard option
- When orders can consistently be fulfilled same-day, it eliminates the need for expedited shipping costs to meet service requirements
- Consumers expect faster delivery options - 40% of online shoppers indicated they have abandoned their shopping cart because of an issue with the estimated delivery date (Business Insider)
- Companies such as Amazon, Google, Macy's, and Nordstrom have integrated Same-Day distribution to reduce order-to-delivery time, gaining a strategic and a competitive advantage
- Four in ten US shoppers said they would use Same-Day delivery if they didn't have time to go to the store (BI Intelligence)
- One in four shoppers said they would considering abandoning an online shopping cart if Same-Day delivery was not an option (BI Intelligence)



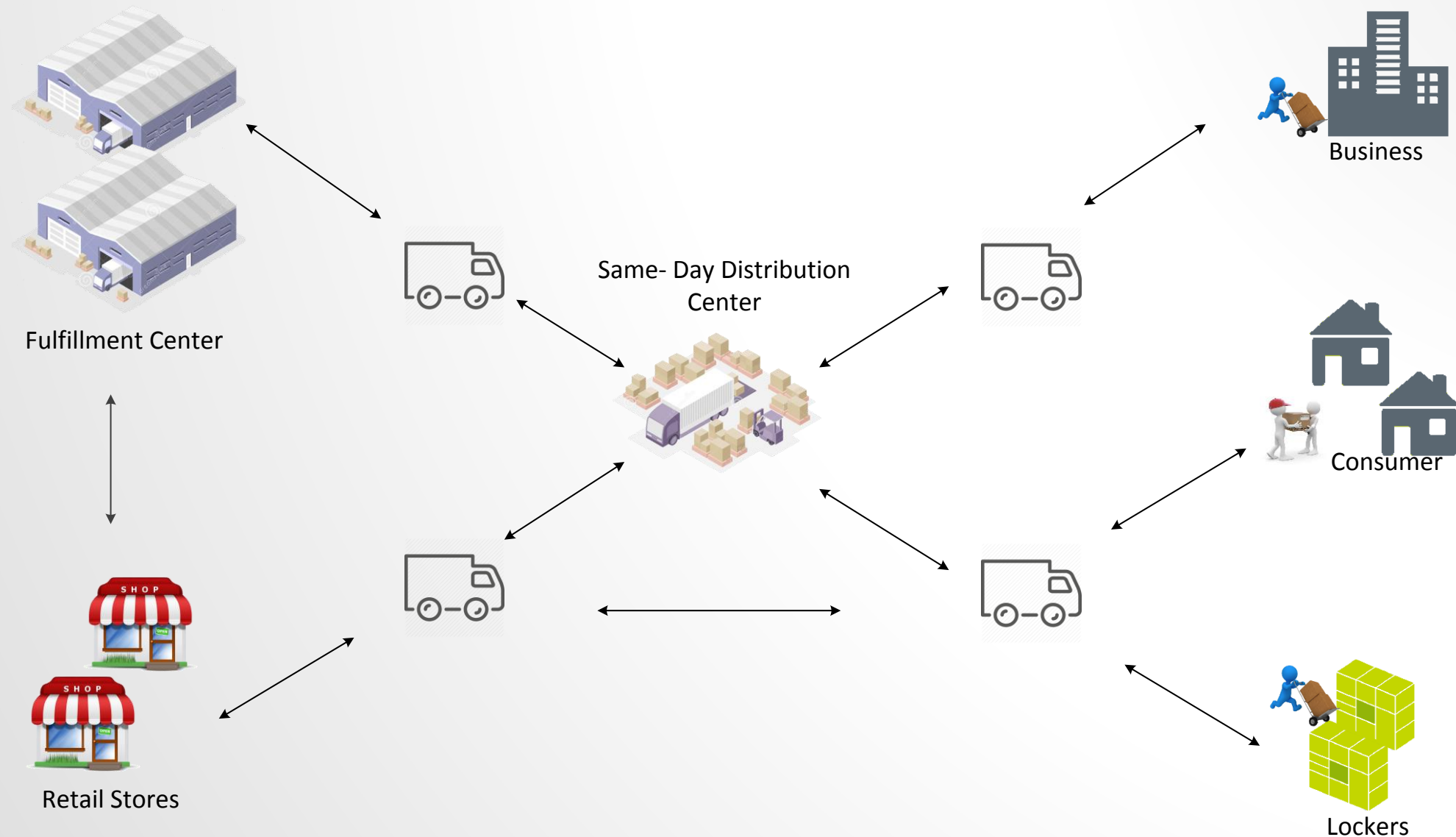
NORDSTROM



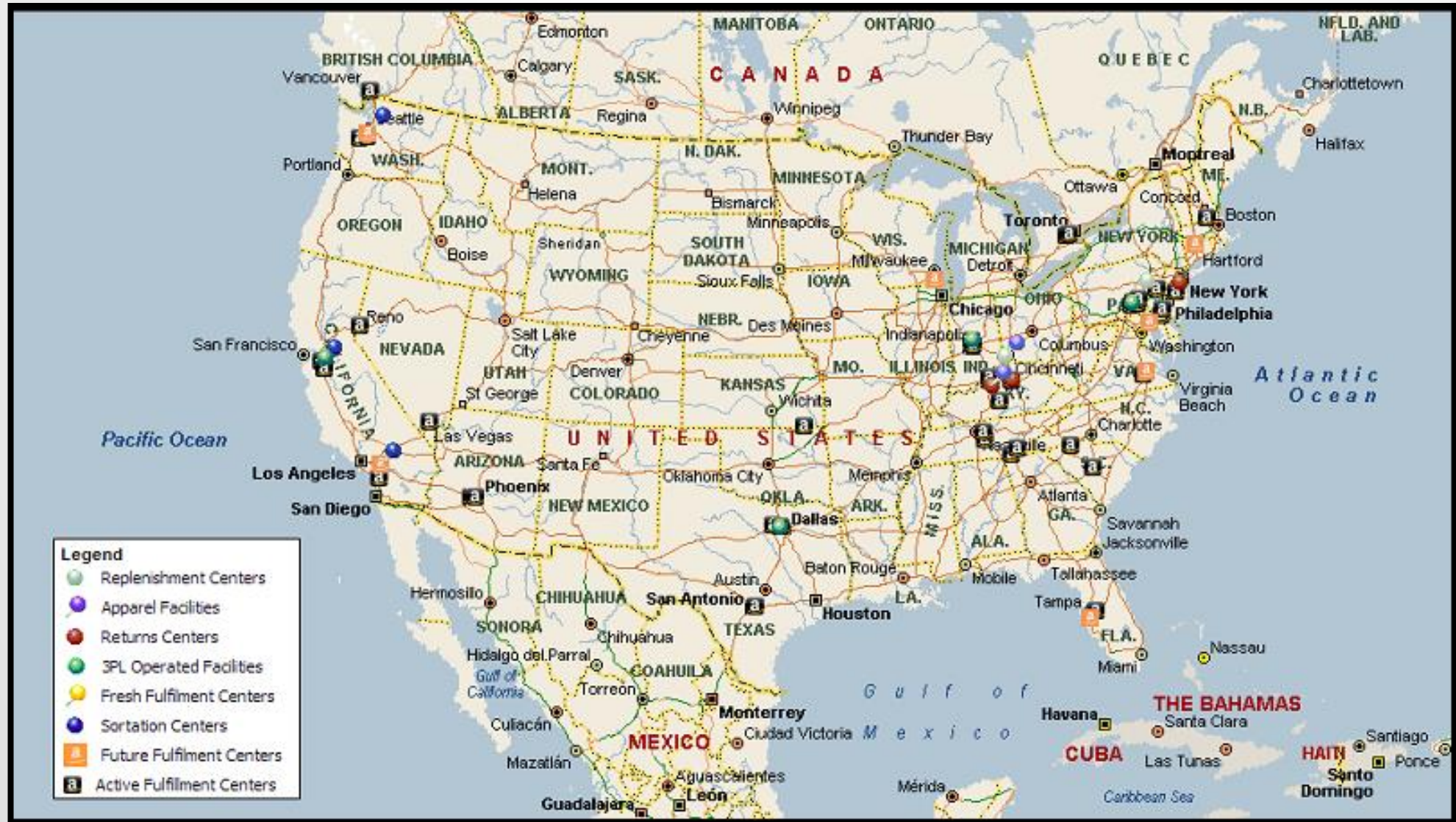
e-commerce evolution



Final mile and changing expectations



Same – Day distribution network



Role of on-demand within Same-Day

- Balance to Same-Day distribution
- Consumers needing instant gratification (2 hrs. /4hrs.)
 - Consumers “I need it now”
 - Consumers “I want it now”
- Consumers prefer options
- Perishable shipments
- Savings in comparison to an expedited shipment



FedEx SameDayCity®.



UBER RUSH

Summary-Conclusion

- Traditional delivery modes must transform to meet consumer demand
- With increasing demand the market is demanding new operational ideas and models from industry leaders.
- The ecommerce phenomena must inspire thought and action from industry leaders by redefining distribution centers and “final mile” delivery modes.
- Traditional Next-Day too slow and impersonal
- On-demand too expensive and inconsistent as a primary option
- Same-Day Distribution is emerging as the cost effective solution