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Importance of Shipping in World 2.0

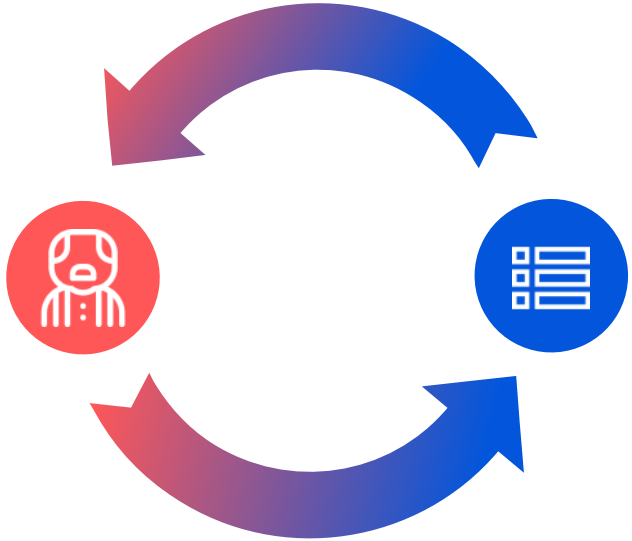
Online Retail penetration has leapfrogged 3-5 years

Online sales during the pandemic surpassed 2019 peak levels

New Segments

Pensioners

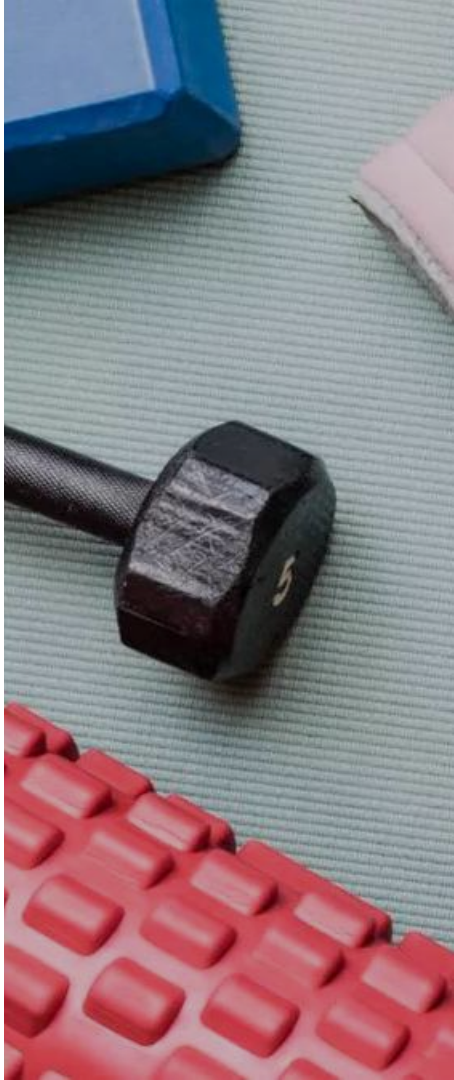
In-store shoppers



New Categories

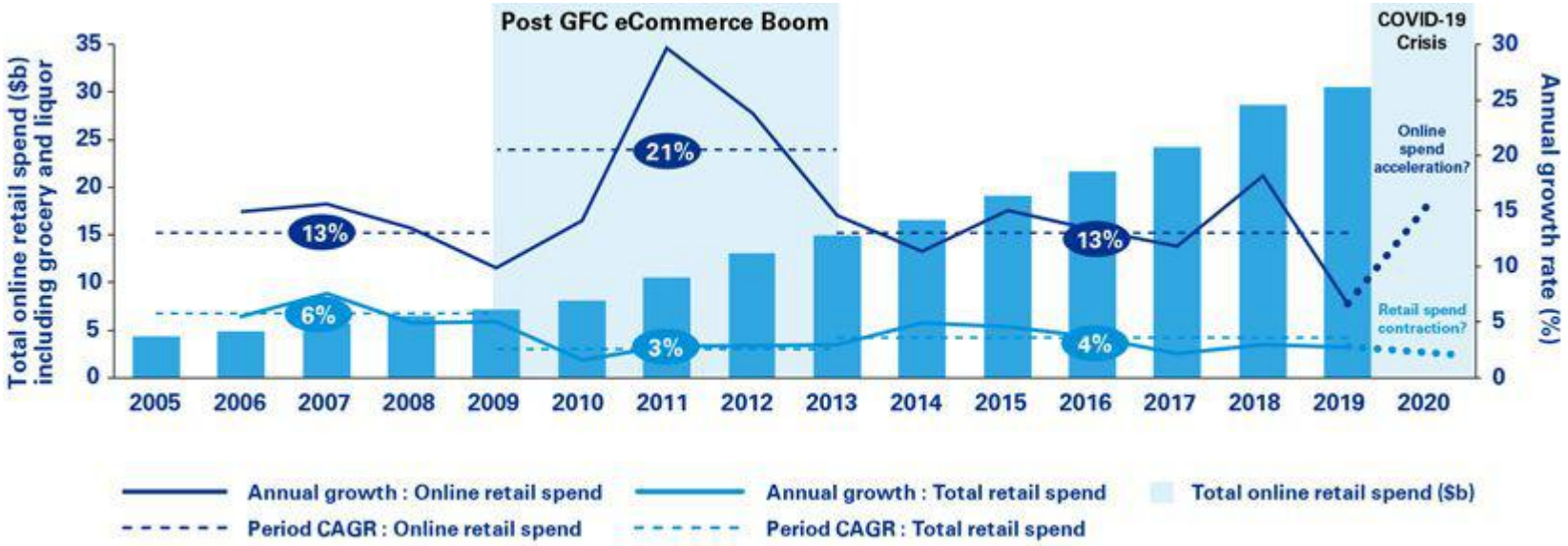
Furniture stores

Hospitality



Could 20% of Australian retail sales be online by 2021?

Post-COVID eCommerce Boom?



Source: KPMG analysis; NAB Online Retail Sales Index; Australian Bureau of Statistics

** Online retail penetration calculated as total online retail spend divided by total retail spend (including groceries and liquor; excluding cafes, restaurants and takeaway food services)*

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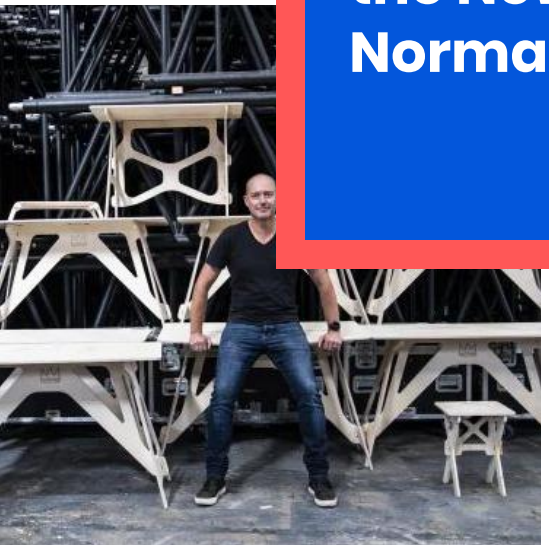
Emerge Stronger in the New Normal



We've all had to adapt our value prop to capture growth

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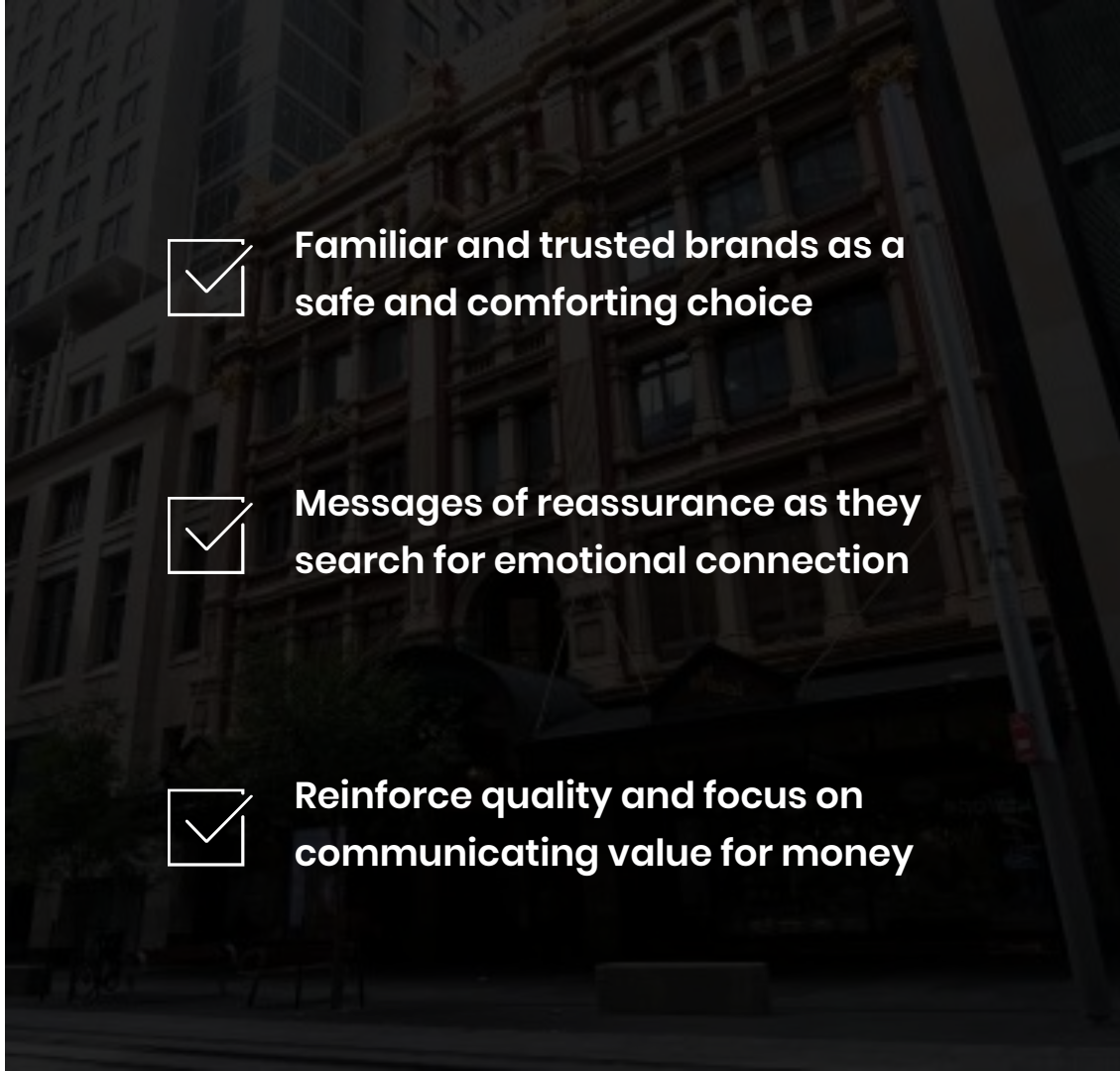
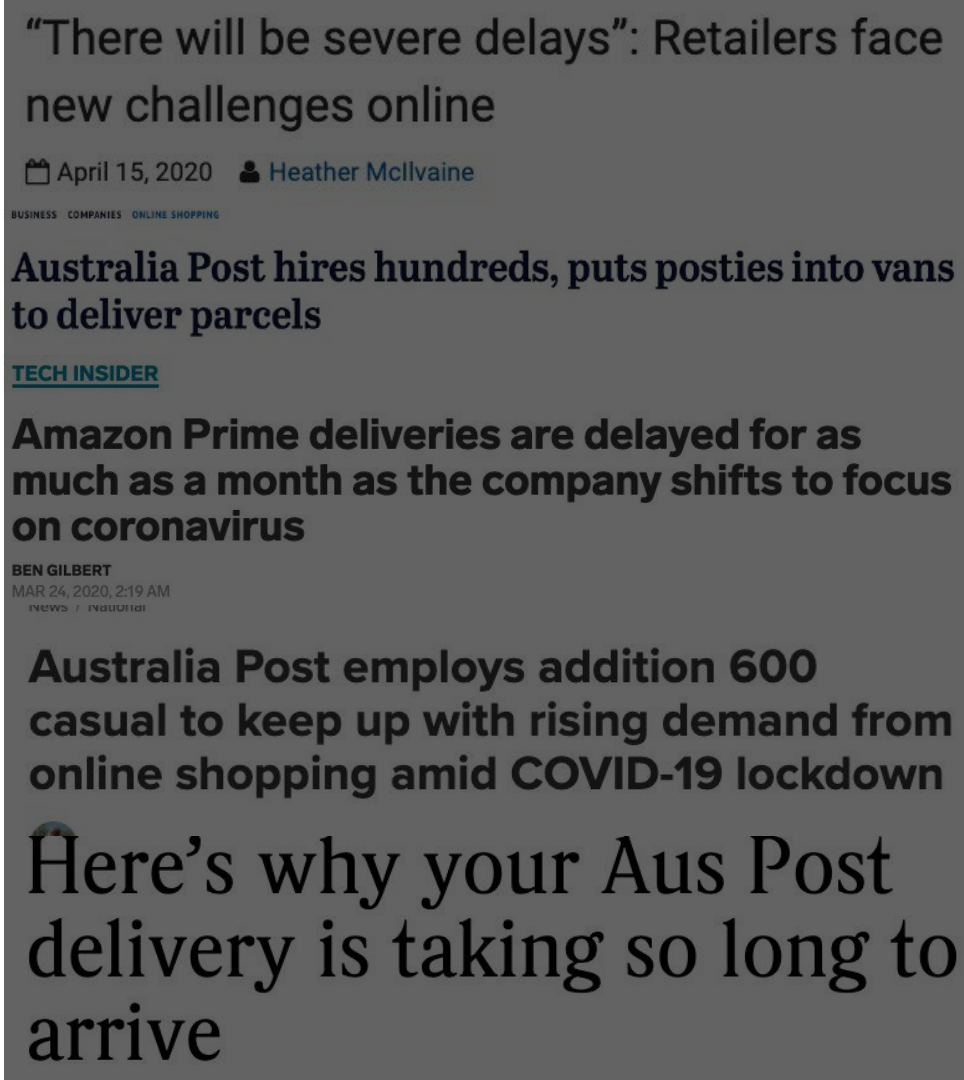
What customers look for in uncertain times



- Familiar and trusted brands as a safe and comforting choice
- Messages of reassurance as they search for emotional connection
- Reinforce quality and focus on communicating value for money

Delivery is the only tangible touchpoint in the customer journey. Reliability is key.

Building trust & providing certainty will set you apart from other retailers



"There will be severe delays": Retailers face new challenges online

April 15, 2020 Heather McIlvaine

BUSINESS COMPANIES ONLINE SHOPPING

Australia Post hires hundreds, puts posties into vans to deliver parcels

TECH INSIDER

Amazon Prime deliveries are delayed for as much as a month as the company shifts to focus on coronavirus

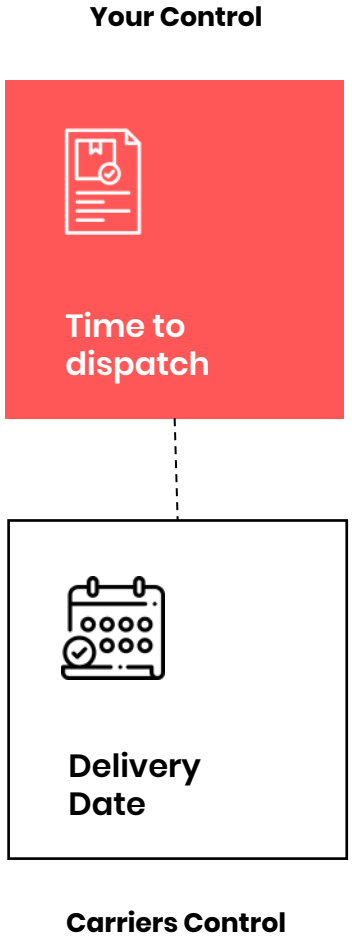
BEN GILBERT
MAR 24, 2020, 2:19 AM

Australia Post employs addition 600 casual to keep up with rising demand from online shopping amid COVID-19 lockdown

Here's why your Aus Post delivery is taking so long to arrive

What you can do to build trust with delivery

Give certainty by setting expectations at check-out



Giving Customers Reassurance When It Matters

1

Delivery Delays

Proactively alert customers on carrier network and service disruptions.

2

Seamless Returns

Give customers peace of mind with extended return windows

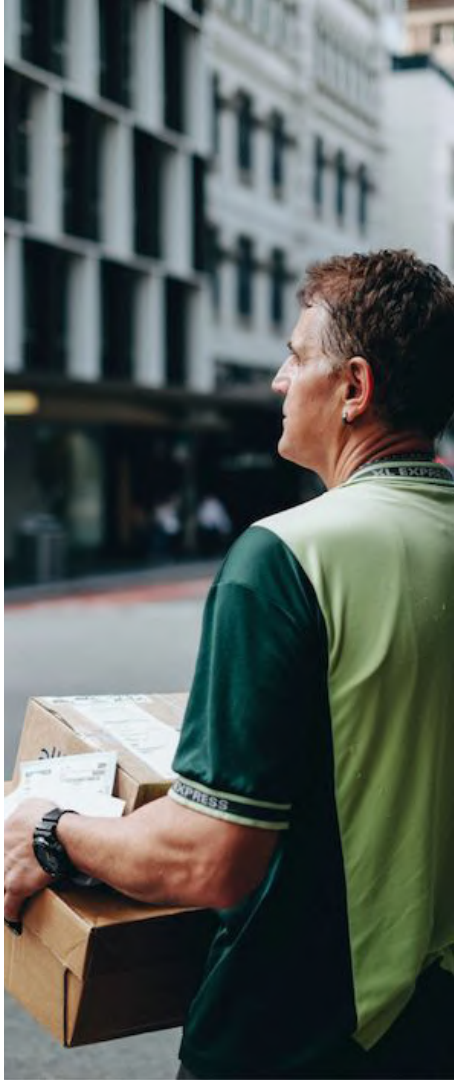
Offer courier pick-ups as a return method

2

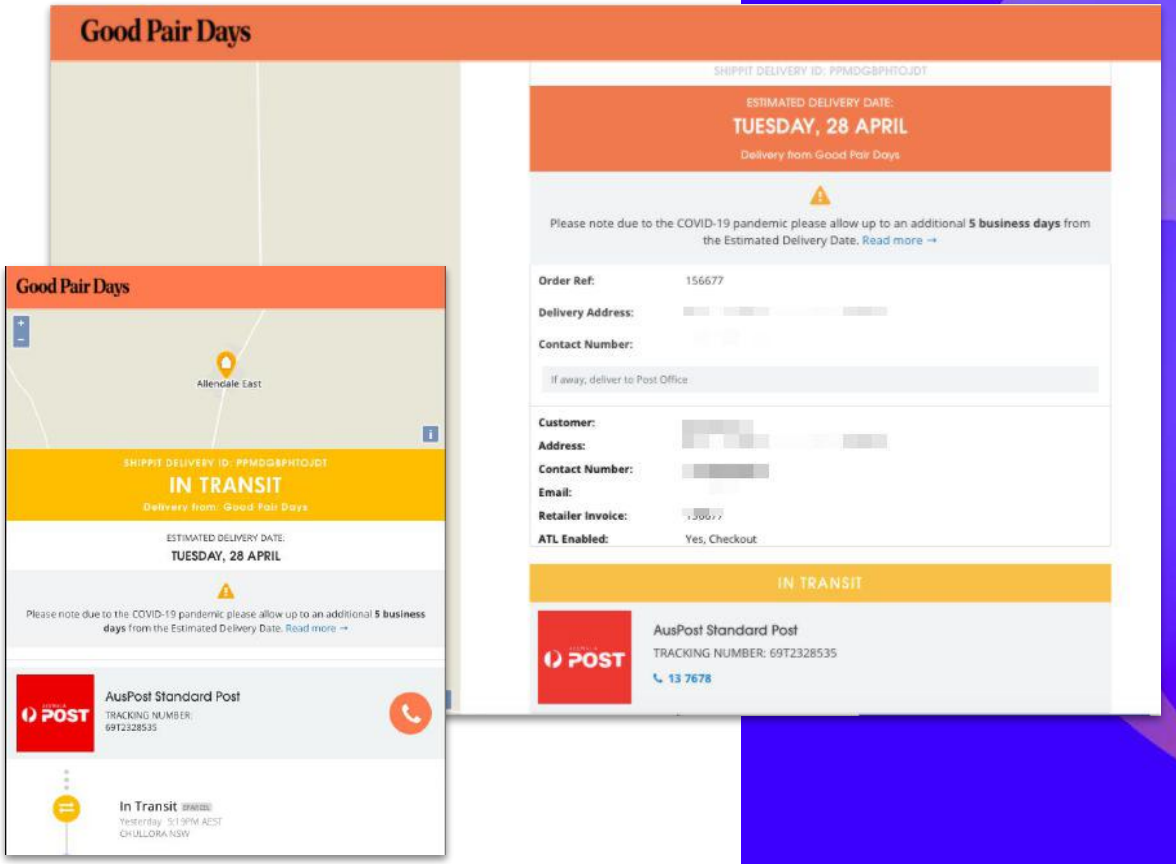
Contactless Deliveries

To ensure the safety of community

If signature required, use same day scheduled delivery or TNT

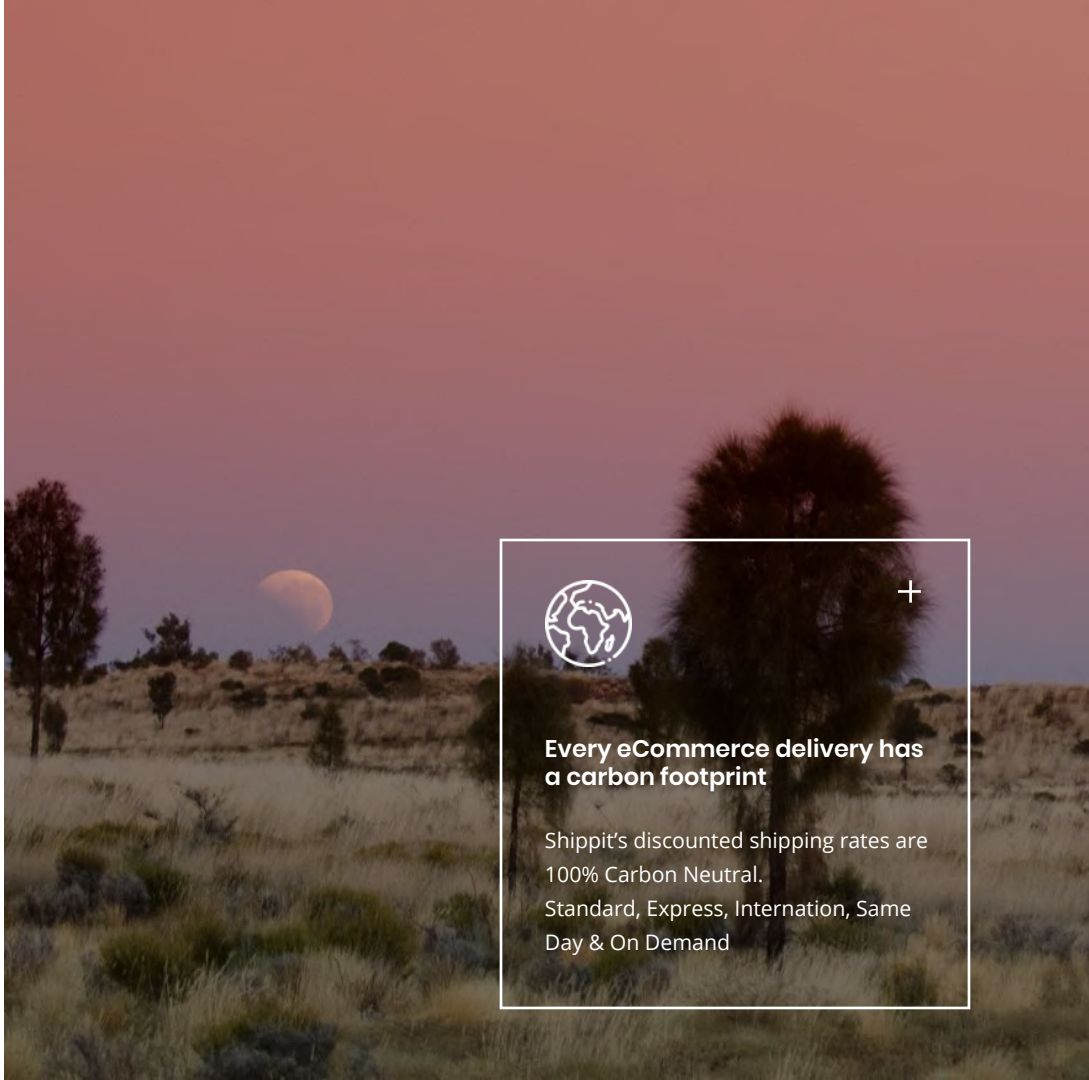


Giving Customers Reassurance When It Matters Most



Do Business with Purpose

Make Corporate Social Responsibility a Priority



Customers Want Affordability

Free Shipping is the new normal

1

Implement a ‘Free Shipping’ threshold

If it’s too low, the majority of your customers qualify and aren’t incentivised to pay more
If it’s too high above AOV, customers won’t reach

2

Reduce uncertainty with ‘Flat Rate Shipping’

Find out what flat rate works for you
Test & learn with order totals and weights
Option to provide different rates for different regions

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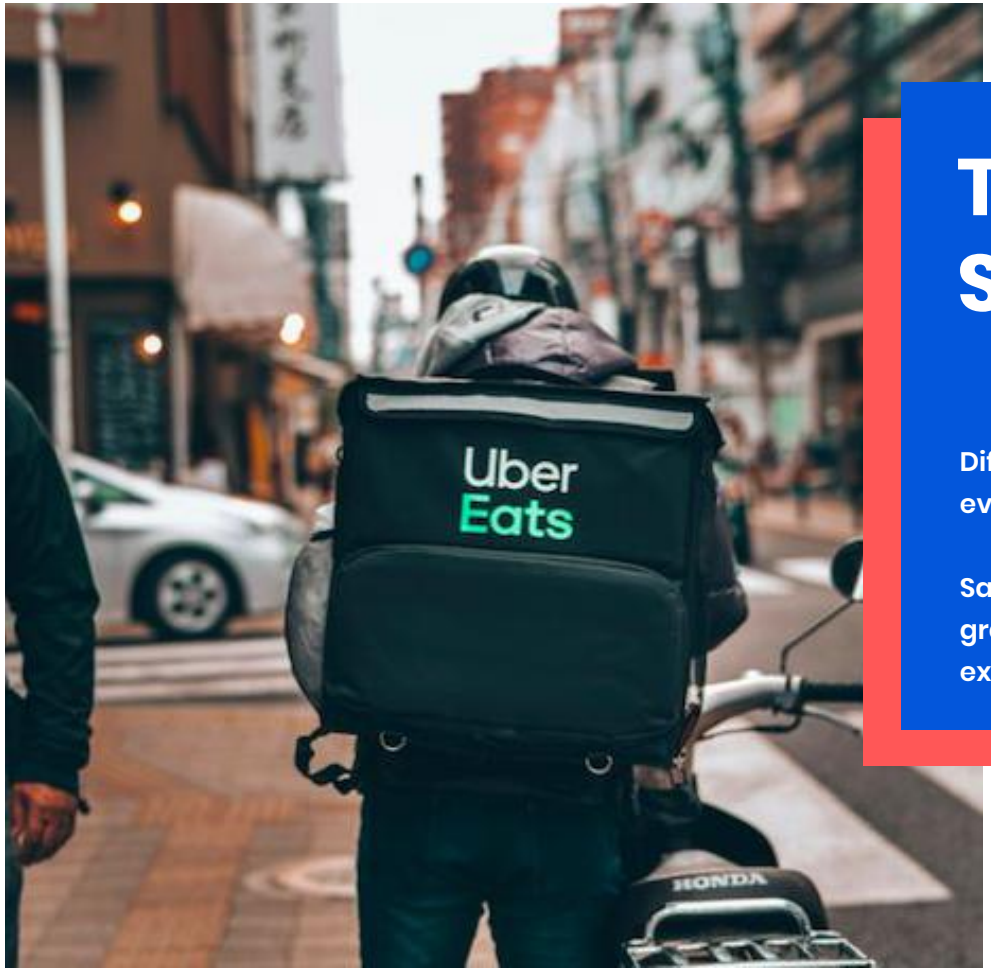

The Need for Speed

Differentiating for instant gratification when everyone is online.

Same Day & On Demand provides instant gratification akin to the in-store shopping experience

Differentiating in The New Normal

01

Free Shipping

Customers won't settle for anything less

02

Flexible Returns

Courier pick-up or post it at the post office, customers want control

03

Proactive Comms

Don't leave customers in the dark. Be proactive & transparent

04

On Demand Delivery

From Same Day to On Demand, customers want instant gratification

Shipping made Simple

Download the slides at shippit.com/BC360
Connect with me on LinkedIn @Rob Hango-Zada

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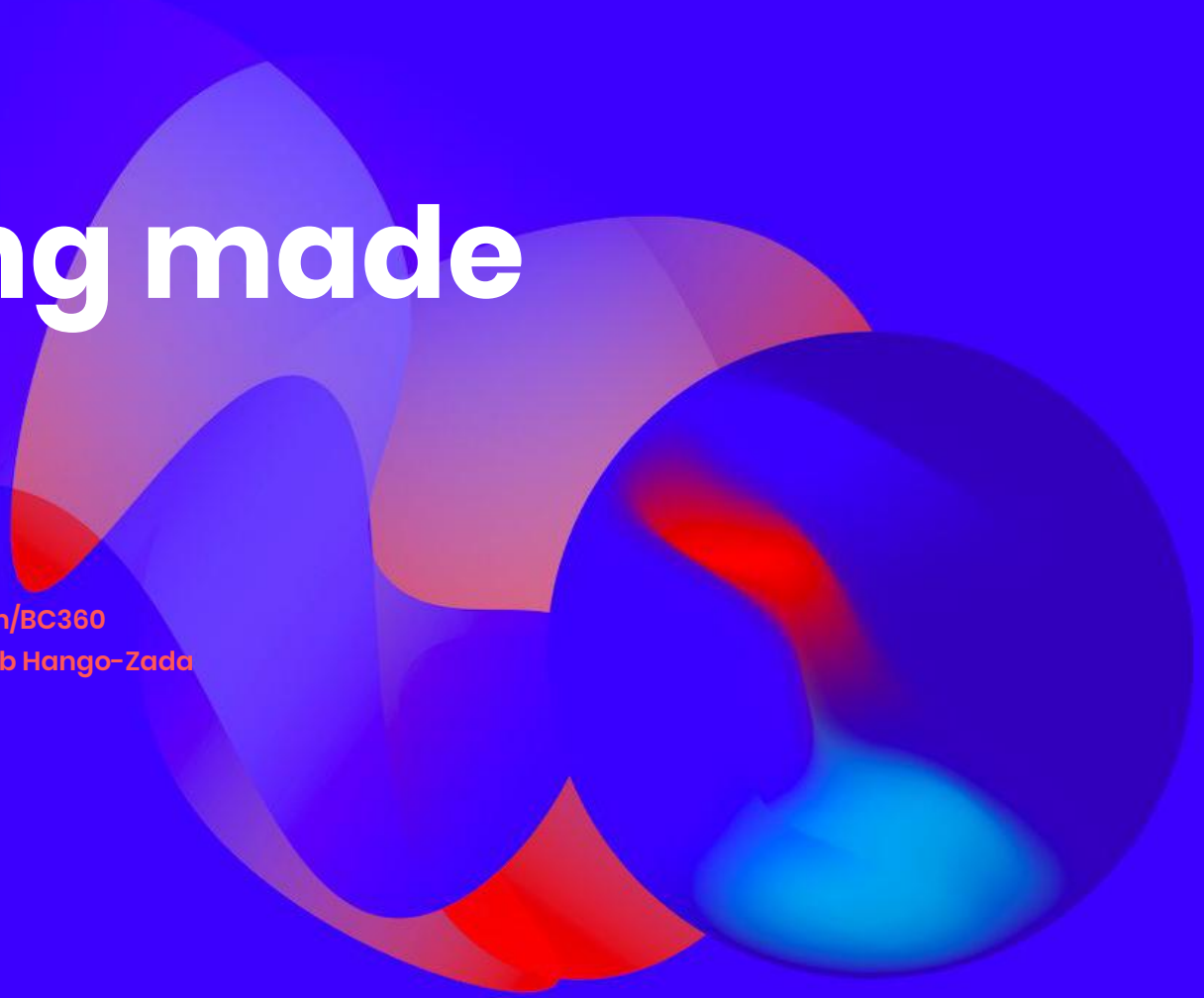
www.shippit.com



Relevant slides from previous presos

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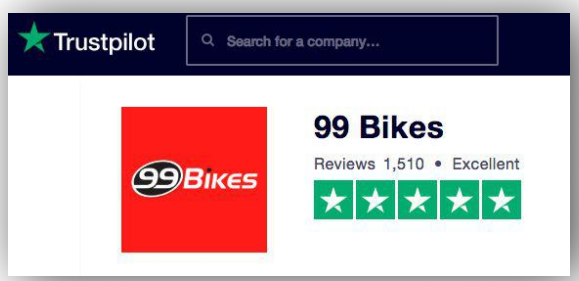
Learning From 99 Bikes

Flat Rate Standard

Flat Rate Express

$99 Free Express Shipping Threshold

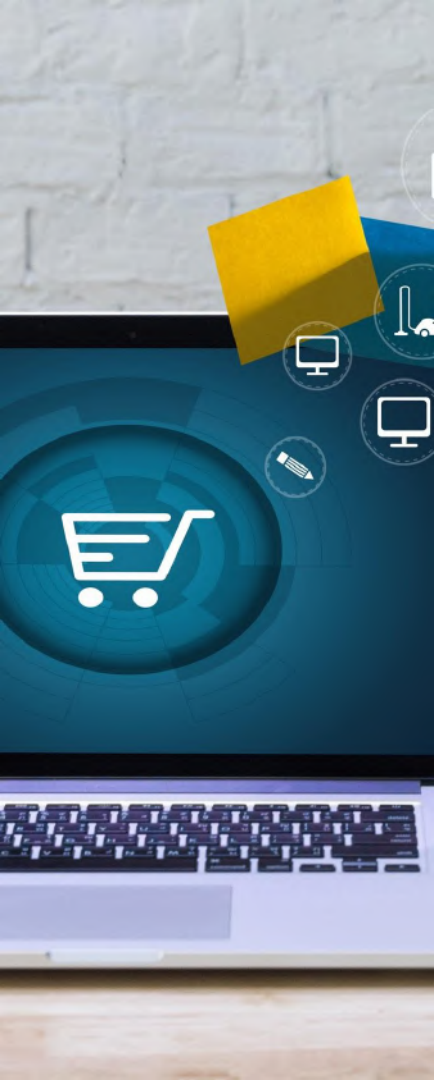


RESULTS

Better Reviews

Increase Basket Value

Increase in conversion due to a cheaper value proposition



Flat Rates Reduce Uncertainty

Easy for customers to understand

Find out what flat rate works for you

Test & learn with order totals and weights

Option to provide different rates for different
regions

Flat rate shipping enhances total value perception.

https://www.bigcommerce.com.au/blog/ecommerce-shipping/#your-4-ecommerce-shipping-options

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Shipping Thresholds

Of shoppers will spend more to take advantage of a ‘free delivery threshold’

$25
$5 Shipping

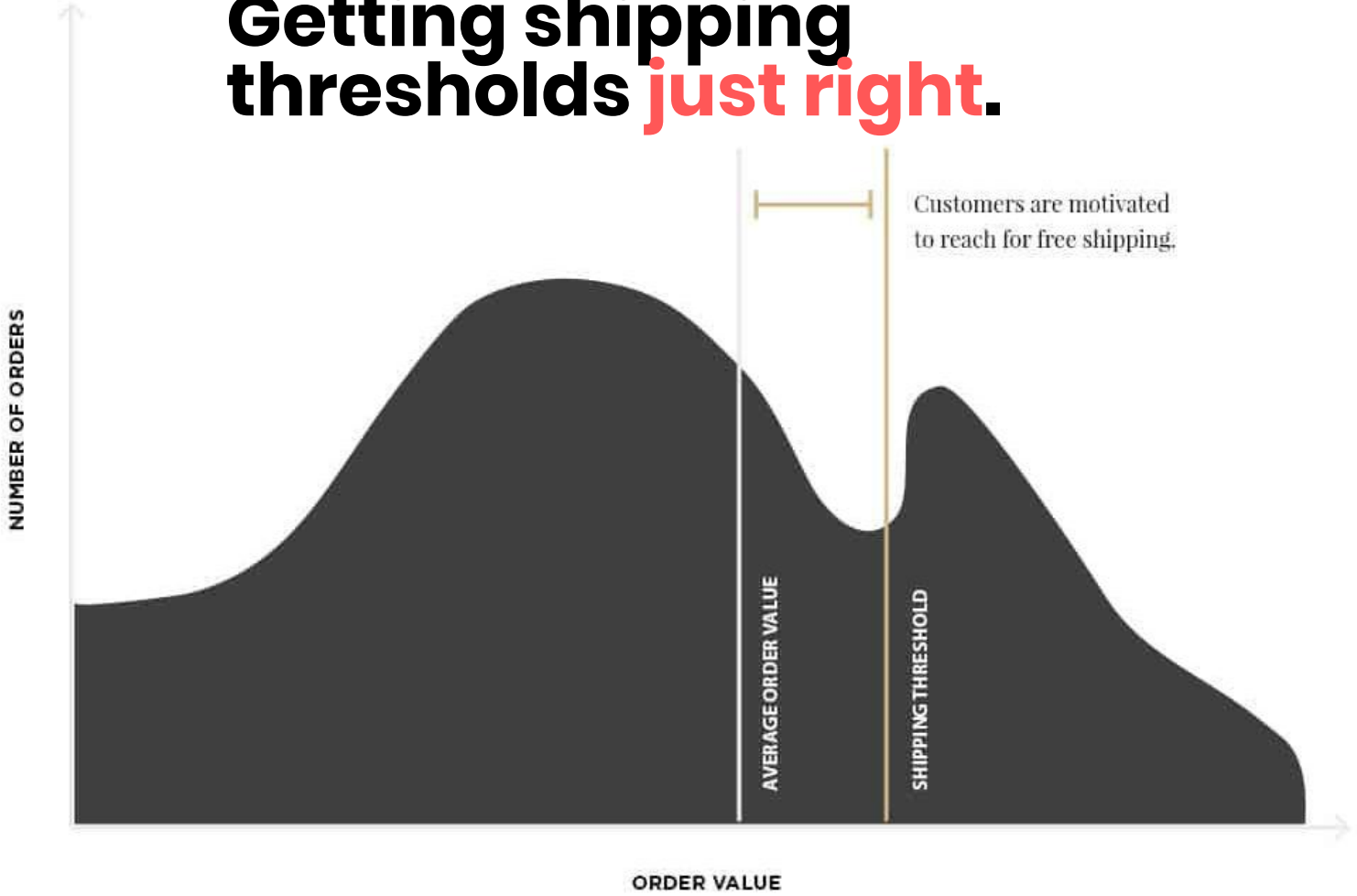
$30
Free Shipping

Shipping Threshold

If it's too low, the majority of your customers qualify and aren't incentivised to pay more

If it's too high above AOV, customers won't reach

Getting shipping thresholds just right.



https://www.abetterlemonadestand.com/free-shipping/