

WHITE PAPER | September 2022

# Shipping Peak Preparedness

Best Practices to Prepare for the Holiday Rush



Peak and holiday shopping season is important to retailers' livelihoods — but it has been impacted significantly over the past two years. Between the ongoing pandemic, inflation, labor shortage, supply chain disruptions, uncertainties in the airline industry and other factors, **how should companies best plan?**



## Expect the Unexpected and Plan for It

### The purpose of this paper:

- ✔ Provide brief overview of market trends
- ✔ Give customers an easy-to-use checklist to ensure all bases are covered
- ✔ Encourage contingency plans specifically for international shipments given challenges and changes over the past few years

### CUSTOMERS HAVE TOLD US:

“Even if we can get our shipments into port, there are backlogs in clearance and trailer shortages to move product to our DC’s. And when we do get our products to the warehouse, we have a problem staffing qualified people to get product into inventory. We have to plan for the unexpected and rely heavily on experience, technology and our partners.”

With limited resources to win consumers through many constantly changing marketplace platforms — and the complexities of domestic and international delivery to the end consumer — you need trusted reliable partners to help you compete and win.

From manufacturers to end consumers, it is hard to find anyone who was prepared for the global pandemic’s accelerated impact on eCommerce. According to the Census Bureau’s Annual Retail Trade Survey, **eCommerce sales increased 43% in 2020, the first year of the pandemic. The 2022 outlook will see smaller growth but peak 2022 will be as much as 20.3% over 2021.**







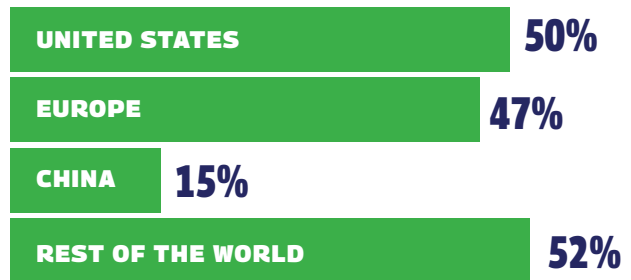
## Growth by Region

Most companies begin planning for peak season too late. The time, experts recommend, is now. Historically, the November-December holiday season is the most impactful on a retailer's bottom line. Those days are behind us as every day leading up to the holiday season is critical. Given the reliance on Q4 revenue to retailers, every day is critical in your ability to fulfill orders.

The trend of ordering earlier every year has been an industry standard for many years. The ongoing pandemic, inflation, supply chain disruptions, uncertainties in the airline industry and other factors, will drive shipping earlier than ever this year.

It is no surprise that staffing, inventory and properly planning all mission-critical logistics need to be in place for a successful holiday shipping season. Critical planning and communication with your vendors and customers are vital to keeping your marketplaces open for as long as possible. Customers prefer interacting with an actual person for peace of mind and confidence that their matter has been resolved, according to a Digital Commerce 360/Bizrate Insights survey.

### eCommerce Global Sales Growth by 2025



Source: [Statista](#)



**79%**  
of online shoppers  
prefer to interact with a  
human via live chat



**16%**  
of online shoppers  
who prefer a chatbot  
to communicate



Being proactive  
instead of reactive  
**increases the odds**  
for a better customer  
service experience.



≈2/3 of retailers  
believe that vendors are  
specialized in their fields,  
and trust them to get  
the job done.





# Holiday Shopping Season Trends

Cyber Monday/Black Friday was historically seen as the beginning of the peak season. It is now more common to see winter holiday deals and promotions advertised long before the Halloween season.

“

Last year, one of my clients had completed most of their peak season orders by early November. They found that the product availability encouraged his customers to purchase early.”

Helaine Rich, Strategic Channel Sales Director  
ePost Global

## 1. The phrase “It’s never too early” applies to the holiday shopping season. Consumers are planning to start earlier.

- 1 in 4 shoppers plan to finish their holiday shopping before the traditional holiday season kicks off.
- 95% of consumers said they would start their holiday shopping earlier this year if sales and promotions were launched earlier in the fourth quarter.

## 2. Most consumers indicate that they want to have their holiday shopping completed in a timely fashion.

- Just over 9 in 10 plan to complete all their holiday shopping one week before Christmas: up from 81% in 2021.
- Roughly 60% plan to finish all their holiday shopping two weeks before Christmas, compared to 52% in 2020.

## 3. Projected Most In-Demand Products for the 2022 Holiday Season cover a wide range of businesses, all of which rely on the same shipping infrastructure.

- Toys & Games
- Electronics
- Camera & Photo
- Pet Supplies
- Sports & Outdoors
- Books
- Home & Kitchen
- Fashion (clothing, shoes, and jewelry)
- Video Games

## 4. eCommerce accounts for a reported more than \$1 trillion in annual retail sales in the United States. This comprises 13% of the total retail industry. These are the top 10 eCommerce marketplaces.



# ECommerce Trends

- ✓ ECommerce sales are projected to grow almost 10% annually, increasing from \$4.9 trillion in 2021 to \$6.4 trillion in 2024.
- ✓ ECommerce penetration rates are forecast to increase from 15% in 2020 to 25% in 2025.
- ✓ By 2022, mobile commerce sales will rise to \$3.79 trillion.
- ✓ Young consumers are driving the shift to online shopping. 67% have spent more money online than before the pandemic.\*
- ✓ ECommerce features by Facebook, Instagram, and TikTok boost the number of social shoppers.
- ✓ Green consumerism is on the rise due to environmental topics influencing buyers.
- ✓ 57% of consumers express a willingness to purchase from new and independent businesses for the first time.\*
- ✓ By 2022 over 120,000 stores will be using AR technologies offering a much richer buying experience.
- ✓ More than 50% of shoppers say a personalized experience online is important. 74% of marketers believe personalization has a "strong" or "extreme" impact on advancing customer relationships.
- ✓ The global image recognition market is set to hit \$81.88 billion by 2026.

\*Source: [Shopify](#)  
All other stats from [PwC Sector](#)

## Managing Customer Expectations is Key

With consumers and retailers expecting shopping earlier in the season, it is important for shipping and logistics companies to align their processes with the changing timelines. Direct-to-consumer shipping and logistics partners are an extension of consumers' shopping experiences as they handle the critical final mile service.

During a period of high demand and important delivery dates, shipping partners should incorporate these evolving shopping trends into their peak planning initiatives to maintain consumer expectations.

- 68%** of consumers said the estimated delivery time influenced their decision to make a purchase.
- 70%** of consumers said they would be less likely to shop with a retailer that didn't let them know their delivery was delayed.
- 60%** of consumers say they want a brand to reach out to them personally if their shipment has been delayed for just 1-2 days.
- 82%** of consumers expect this treatment if the delay is over two weeks.

Source: [PR Newswire](#)



# 9 Best Practices for Peak Preparedness

What can you do to meet your customers' evolving delivery expectations? From sales to operations, every department of your company has a role to play in peak preparedness. Here are a few key steps and areas of focus:

## 1 Review the previous season

What worked for you? What did not? Where did your processes and procedures break down or not operate at peak efficiency? Are the SLA and processes the same as last year?

## 2 Identify personnel needs

The pandemic disrupted America's labor force to an unprecedented degree. In 2021, more than 47 million workers quit their jobs in what has come to be called the Great Resignation, a reconsideration of work-life balance. Do you have the appropriate number of seasonal workers to handle increased demand? Businesses must forecast realistic staffing levels and should make this a priority before October. Companies such as UPS begin peak season hiring at the beginning of August.

## 3 Get current on international shipping regulations

Confirm that the products you ship domestically will be accepted internationally. Are the products in your catalog available in all countries? For example, non-perishable food, nutraceuticals and cosmetics may contain ingredients or contents that are prohibited in certain countries. It's important to understand the customer's product catalog and destination before accepting goods for shipment. More importantly, having a partner who understands international shipping requirements can help you prepare for disruptions and provide alternate routing with the right data.

## 4 Conduct technology stress tests

Peak season requires that systems and equipment are working at peak efficiency and designed to handle increased orders. For example, parcel processing companies should ensure their printers are in optimal working

order so that shipping labels are readable. Work closely with the company's IT department and partners to ensure the technology infrastructure is well equipped to handle any influx of data requests or provide flexibility for routing options.

## 5 Allow time for dealing with customs

For retailers who ship to international locations, navigating destination country duties and VAT regulations are important. There are critical data points that must be reviewed and accurate when accepting parcels for processing and exporting. For example, when shipping to EU destinations, ensure that Import One Stop Shop (IOSS), known shipper documents, harmonized system (HS) codes and parcel tracking information are validated in order to minimize any issues during the export process. The holiday shopping season can wreak havoc on customs. Learn what is required by product and destination to clear customs in a time efficient manner.





## 6 Communicate early and often

When it comes to the holiday shipping season, accurate consistent communication is essential between the retailer and shipping partner, including forecasts about how many units to distribute and establishing peak season benchmark dates on your calendar. Operations teams at shipping companies should communicate how they plan to increase capacity. For example, determine whether expanding to a seven-day work week is possible or whether the facility can operate three shifts. Is your shipping partner aware of expanded hours or an increase in the orders they will be picking up?

## 7 Plan to build-in lead time and reap the benefits

In addition, retailers need to maintain close communication with their manufacturers in preparation for peak demand. As evidenced during 2020, production delays can have a detrimental impact on supply chains and product availability. Retailers should establish lead times with their manufacturers that will accommodate holiday season demand, but also any anticipated and unanticipated supply chain issues and delays.

## 8 Order packing supplies early

Do not overlook the basics involved in achieving peak preparedness. That includes ordering packaging necessary to be able to ship your products in a timely manner. Not having sufficient supplies for operating can have an impact on delivery times and profitability for shipping companies.

## 9 Prioritize peak freight shipments

From lengthening lead times and being apprised of alternate ports to delivery deadlines, peak freight preparedness means being proactive and working with a shipping partner that will give you the information and insights you need to make sure peak freight shipments are prioritized.



# Other Holiday Trends

The winter holiday shopping season is crucial to businesses. According to the National Retail Federation, November and December holiday sales have averaged approximately 19% of annual sales over the last five years.

This year, peak preparedness is especially important to meet the expectations of consumers who are increasingly moving to online shopping. Consumers are taking a more hands-on approach to eCommerce, conducting more intensive research into their shopping and ordering earlier. And with the unprecedented confluence of concerns such as the ongoing pandemic, inflation, supply chain disruptions and geopolitical issues, businesses need to ensure they have planned accordingly.

"We've introduced automation throughout our nationwide facilities," says Fabrizio Alvear, Co-President and Head of Operations. "It ensures that ePost Global has the productivity and capacity to handle not only peak season but any influx in parcel volume."

**While the pandemic has accelerated eCommerce around the world, the peak shopping season is not uniform. According to Mediacom:**

- ✓ China's biggest sales event, Singles Day (11.11) has been extended to 11 days.
- ✓ In Australia, holiday shopping levels are reaching record levels in October. The same is true in Germany, Austria, and Switzerland.
- ✓ Black Friday, the official kick-off to the holiday shopping season, is the Friday after Thanksgiving. This translates to more shopping days until Christmas.

## The Costs of Failing to Plan

With the higher concentration of sales and profit occurring in the latter months of the year, there is little margin for error for retailers during peak season demand. Missing a key component of the season demand can have a catastrophic impact on your company's reputation and customer loyalty.

Delays happen. New Mitto research finds that in the past year, 80% of consumers said they experienced at least one delivery delay. It is how a company communicates with customers about delays that can mean the difference between a positive and negative experience.

**JUST OVER 75% OF SHOPPERS** say that a delivery delay is not as bad as a bad customer experience. 90% have more patience regarding delays from a brand that they associate with a good customer experience.

**90% OF SHOPPERS** said that a good customer experience makes waiting for a product bearable; while a majority of consumers (55%) have canceled a delayed shipment because of a bad customer experience.

**ROUGHLY 80% OF SHOPPERS** said they expect to receive more attentive customer experience when there is a disruption in their order. Most consumers (60%) say they want a brand to reach out to them personally if their shipment has been delayed for just one to two days. Almost all (82%) expect this treatment if the delay is over two weeks.

**BUT THESE EXPECTATIONS ARE NOT ALWAYS BEING MET** 60% report that for each shipping delay they encounter, the customer experience is poor at least 20% of the time. Less than half (44%) believe brands try to provide better customer service to compensate for their shipment being delayed. In fact, 14% said the customer experience is worse.





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## Partner with ePost Global this Peak Season!

This holiday season presents unprecedented challenges that will put every facet of your operation to the test. Insufficient planning can lead to delayed shipments, dissatisfied customers and loss of revenue and reputation. ePost Global has the experience and expertise to be your partner in achieving peak preparedness.

As global shipping experts and the largest privately-owned international shipping company in the U.S., ePost Global will solve your eCommerce shipping

needs. Our key customer support team has an average tenure of 20+ years and collectively over 850 years of international logistics experience.

We are experts in U.S. and foreign customs clearance, USMCA regulations, international postal documentation services, and international classification requirements in over 200 countries and territories. We will work with you to review your holiday shipping plan and ensure a successful, profitable peak season.

Call us toll-free **866.784.8444** or email us at [inquiries@epostglobalshipping.com](mailto:inquiries@epostglobalshipping.com).

[epostglobalshipping.com](http://epostglobalshipping.com)

