

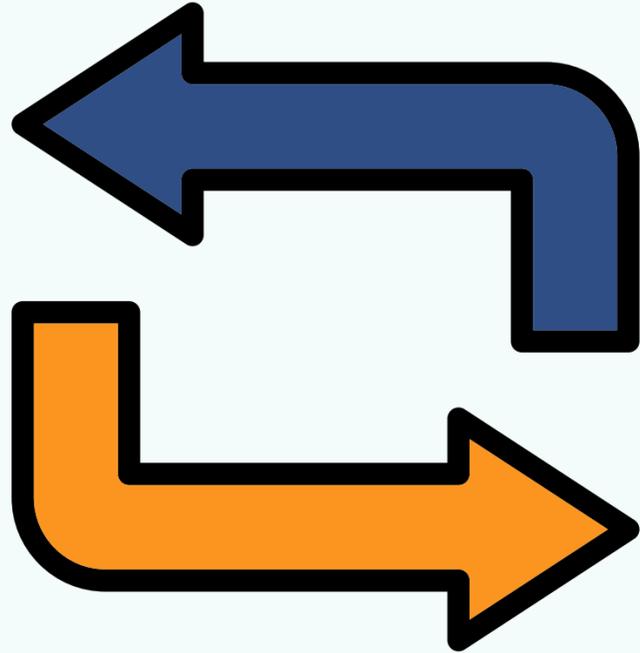
A large, fluffy dog is shown in profile, looking upwards. The background is a warehouse with high ceilings and industrial shelving units filled with boxes. The scene is overlaid with a semi-transparent blue and orange gradient.

2023 ECOMMERCE FULFILLMENT TRENDS

Fosdick  Fulfillment
Beyond the Pack

2022 RECAP

2022 RECAP



MONDAYS

Busiest day of the week for orders placed in 2022.

BLACK FRIDAY

Most popular buying date. The least popular was June 5th.

GIVING TUESDAY?

November 29 - 2nd busiest order day of '22. GivingTuesday is a global generosity movement that unleashes the power of radical generosity around the world. Consumers are incentivized to shop brands which have committed to sharing a portion of sales with charitable causes.

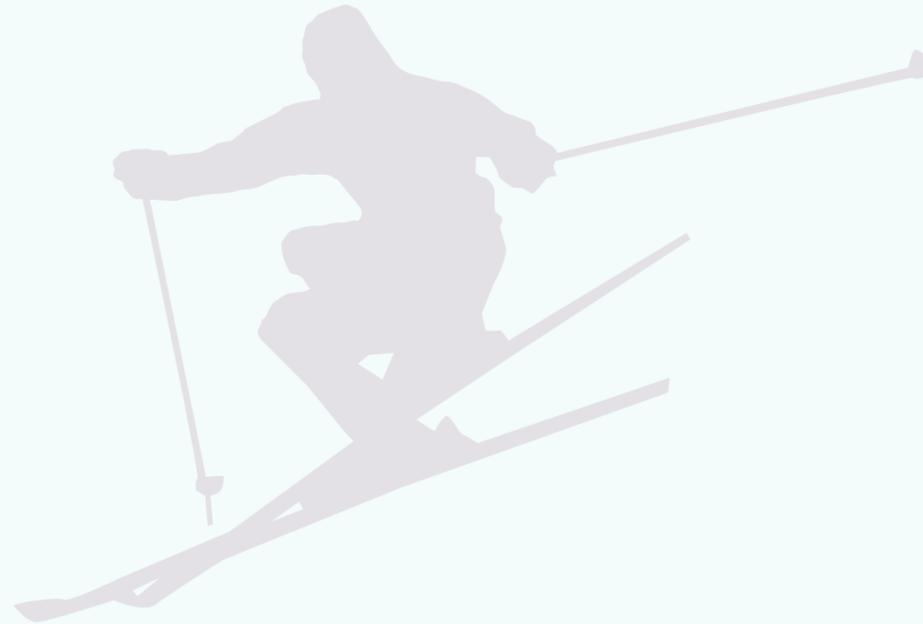
CALIFORNIA



*Most active buying state
in the US*

Least active - Wyoming

COLORADO



*Most orders/highest spend
per capita*

*Fewest orders/lowest spend
per capita - Mississippi*

MONTANA



Highest average order value

*Lowest avg order value -
Rhode Island*

ONLINE SPENDING

35% of all eCommerce orders & value come from four states:
California, Texas, Florida, New York



2023 GROWTH OUTLOOK



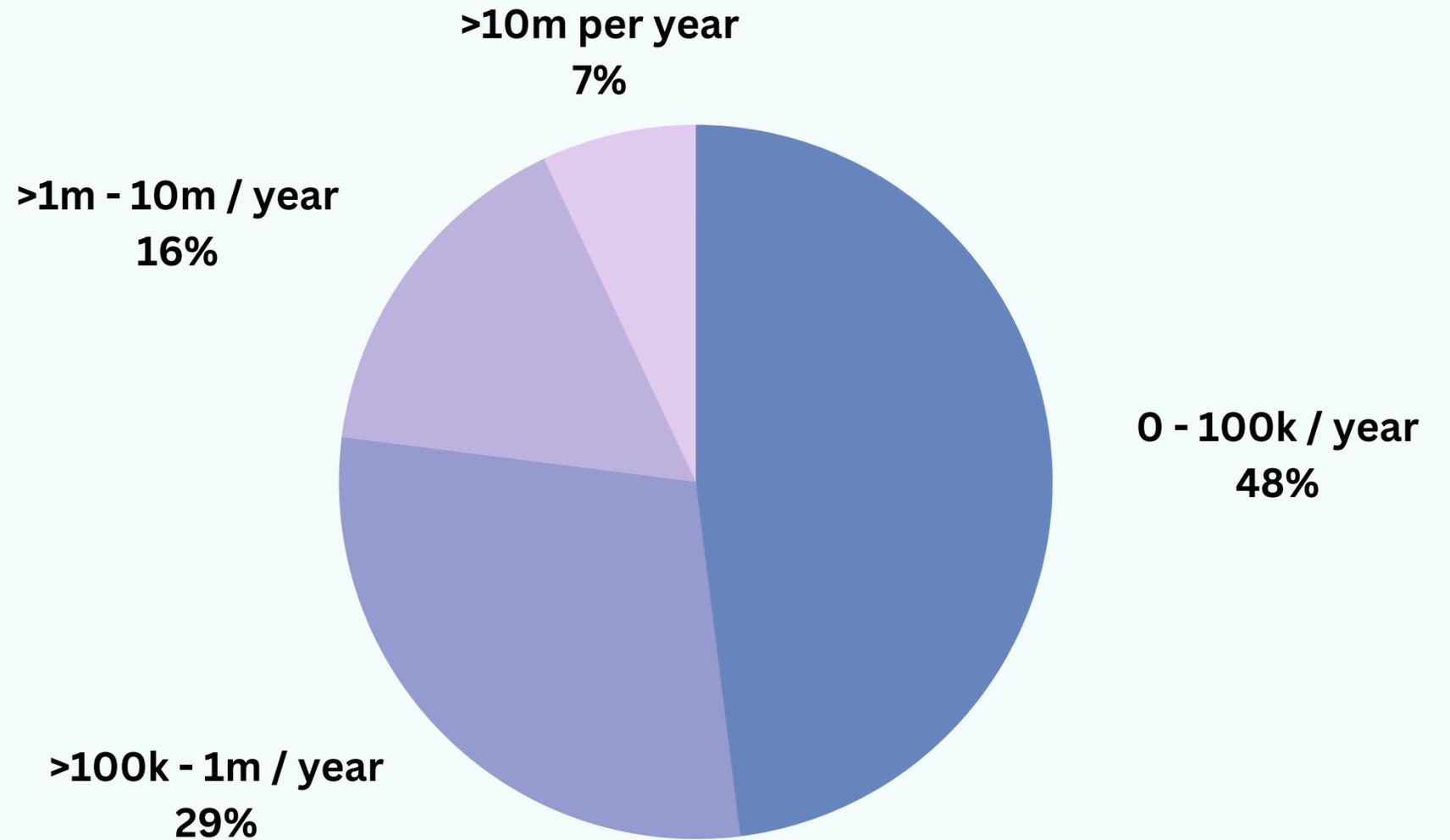
47% of brands expect their revenue to grow by more than 25% in '23.



10% of brands expect to double their revenue from '22 to '23



2.3% of brands expect revenue will stay flat in '23



Avg 2022 Reported Revenue (*data collected from survey of 661 eCommerce brands*)

CHANNEL DIVERSIFICATION

In 2023, eCommerce brands continue plans for expansion across diverse channels

63% of brands will add new channels to their sales strategies in 2023

75% of brands will offer products or goods for sale on two or more channels

47% of brands will offer products or goods for sale on three or more channels

18% of brands will offer products or goods for sale on five or more channels

47% of brands will distribute products or goods via retail or wholesale channels

GLOBAL EXPANSION

With reduced consumer spending in many local or domestic economies, some brands are looking to grow globally and reach a wider audience. While these numbers have decreased YoY, global expansion is still proving to be a growth lever many brands are pulling this year.



37%

of brands plan to ship to new countries in 2023 or fulfill orders in new countries.

21%

of brands plan to start physically fulfilling orders in new countries in 2023.



FREE SHIPPING

While expanding to global markets, the majority of brands plan to incentivize and reward domestic customers with free shipping options.

- 27% of brands always offer site-wide free shipping for domestic orders.
- 23% of brands don't offer free shipping at all.
- 33% of brands require customers to spend at least \$50 USD to get free shipping.
- 17% of brands require customers to spend at least \$80 USD to get free shipping.

Despite many brands having a tightened focus on margins, sitewide free shipping has stayed consistent YoY; in fact, it's slightly up at 26.8% this year compared to 24.72% last year.

SHIPPING OPTIMIZATION

With manufacturing lead times longer and supply chain costs higher than ever before, brands will be forced to compete for market share on two pivotal fronts:

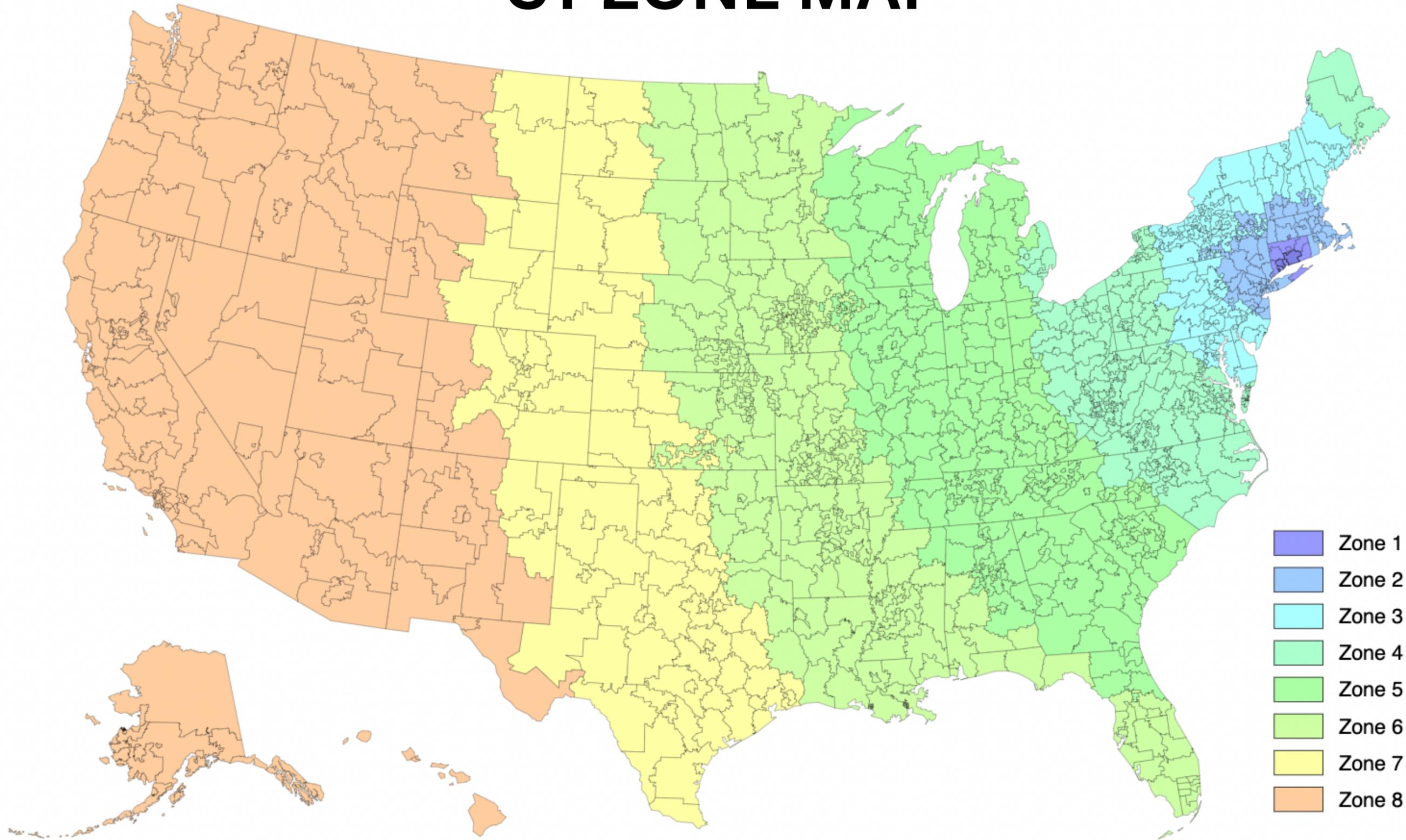
Speed - Supply chain efficiency, from manufacturing lead times to order fulfillment turnaround to last mile service level speed.

Cost - Preserving margin at every phase, from raw materials costs to courier postage rates.

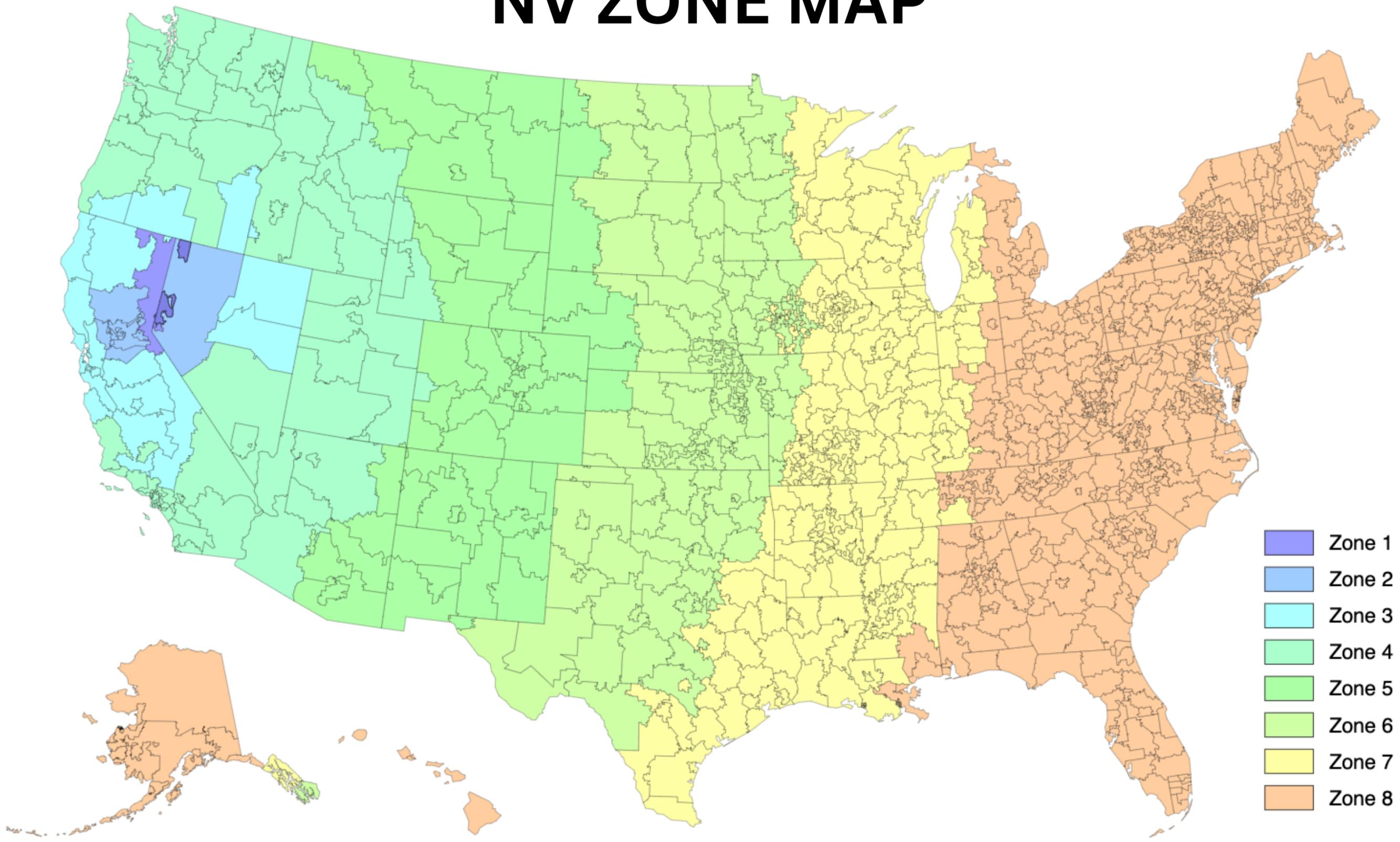
A tremendous amount of potential profit is left on the table due to ineffective fulfillment partnerships. Not only must 3pls be reputable across each of a brand's channels, but they must have the foundational infrastructure to genuinely support a scaling business.

Fosdick's bicoastal presence helps brands reach more of their domestic consumer base faster and at a lower average per order cost. We cross reference our 9 domestic warehouse locations with destination zip codes to fully optimize shipping. This allows Fosdick to eliminate zones 7 and 8 completely, reducing all-in postage expenses while still affording access to all of the contiguous United States in 3-5 days.

CT ZONE MAP



NV ZONE MAP



CT/NV ZONE MAP

