

Predicting the Unpredictable:

# Key Considerations for the 2021 Peak Season

## The retail landscape changed in 2020.

**49%**

Online retail grew 49% YoY in Q4 <sup>1</sup>

**1 in 5**

\$1 in every \$5 was spent online <sup>2</sup>

Consumer expectations for fast and free delivery increased. **62%** of shoppers say delivery speeds influence their purchasing decisions <sup>4</sup>

## Q4 inundated logistics networks. Early.

The pandemic delayed Amazon Prime Day to October, kicking off the Q4 peak season earlier than ever before.<sup>5</sup>

Holiday shopping started early:

**38%**

38% of shoppers made holiday purchases in the weeks leading up to Thanksgiving <sup>6</sup>

**+21%**

In the first 10 days of November, consumers spent \$21.7 billion online—a 21% increase from Q4 2019 <sup>8</sup>

Parcel carriers struggled to keep up:

- ↓ Average on-time delivery rates fell **30%** from 2019 <sup>7</sup>
- ↑ Q4 shipping volume was up **19.3%** YoY <sup>7</sup>

Stores closed and sales moved online, inciting 10-years' worth of eCommerce sales growth in just 10 weeks <sup>3</sup>

2009 2020



## The state of the state

Logistics is hiring. Supply is limited.

**26.8%**

26.8% of **open jobs** in the U.S. in Q2 2021 were in manufacturing, warehousing, and transportation. Up 127% YoY <sup>8</sup>

**30%**

30% of all Q2 **"quits"** in the U.S. were in manufacturing, warehousing, and transportation. Up 116% YoY <sup>8</sup>

**36%**

36% of retailers plan to hire more holiday employees for their fulfillment centers. **25%** say they're struggling to find those holiday workers <sup>9</sup>

## Demand for warehouse capacity is high. So are the prices.

- ↓ **4.8%**, a current record low average warehouse vacancy rate in the U.S. <sup>10</sup>
- ↑ **5.1%** increase in rental rates YoY to \$6.62 per square foot <sup>10</sup>
- ↑ **+330M** sq. ft. of warehouse space needed by 2025 <sup>11</sup>

## Parcel carriers are in control. And overwhelmed.

- ↓ FedEx cut service to **~1,400** LTL customers in June 2021 to reduce terminal bottlenecks and shipping delays <sup>12</sup>
- ↑ UPS implemented surcharges that range from \$0.30/package to **\$31.45**/large package <sup>13</sup>
- ↑ **~70%** of supply chain managers struggle to find transportation partners to meet growing last-mile delivery demands <sup>14</sup>

## Looking ahead

### Analysts predict big numbers.

2021 holiday retail sales rise to **~\$1.1T** <sup>15</sup>

**11.3%**

Total U.S. **eCommerce** sales rise 11.3% to \$207B <sup>15</sup>

### The industry faces a number of unknowns.

- + Will consumers return to brick-and-mortar or continue to shop online?
- + How will carrier and capacity constraints affect the supply chain?
- + What can businesses do right now to mitigate future disruptions?

**18.9%**

eCommerce accounts for a record 18.9% of total holiday season retail sales <sup>15</sup>

## Build flexibility and adapt quickly

No one can predict the unpredictable. But the flexibility to manage disruptions is possible. Complement fixed logistics infrastructure with flexible logistics networks to adapt quickly and meet ever-changing consumer demands.

[Learn more here](#)

Flexe



About Flexe  
Flexe solves the hardest omnichannel logistics problems for the world's largest retailers and brands. Integrating technology, open logistics networks, and elastic economic models allows Flexe customers to move fast, at scale, and with precision. Founded in 2013 and headquartered in Seattle, Flexe brings deep logistics expertise and enterprise-grade technology to deliver innovative eCommerce fulfillment, retail distribution, same-day delivery, and network capacity programs to the Fortune 500. [Flexe.com](#)

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