



Global e-commerce Logistics 2021

Report Brochure

Containing in depth, up to date analysis on the current trends and challenges facing the global e-commerce logistics market.

Key Takeaways:

- The global e-commerce logistics market grew by 27.3% in 2020 and is forecast to grow by a CAGR of 8.6% to 2025.
- Logistics costs as a percentage of sales are steadily rising over time, due in part to aggressive expansion plans amongst retailers.
- Last mile is one of the major constraints of e-retailing and is now one of the most important sectors in logistics. It is highly likely that there will be major restructuring in this sector.
- Precise inventory management is key.
- Cross-border e-commerce is gaining traction, but there are many challenges to this growth.
- Despite the challenges presented by cross-border e-commerce operations, the growth potential is enormous. Covid-19 has emphasised this potential even further.
- Returns are increasingly becoming a competitive sales point for retailers.
- The global social commerce market is forecast to grow by approximately 34% in 2021.
- For retailers to have a true impact on carbon emissions, sustainable practices need to be implemented throughout the entire supply chain.

What does this report contain?

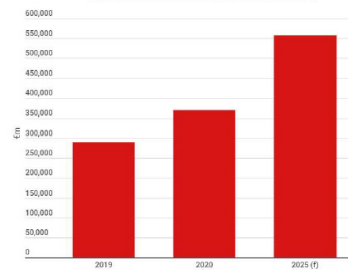
- Analysis of the trends and developments impacting e-commerce logistics in 2021, including the continued impact of Covid-19.
- Comprehensive data and analysis on e-commerce logistics market size and growth from 46 countries as well as forecasts to 2025 by country
- Cost structures of major e-retailers by retail channel, vertical sector and geography
- Interviews and primary research with leading e-fulfilment, last mile providers and retailers
- Strategic profiles of leading online retailers & LSPs

A Sneak Preview:



2.1 Global
The surge in e-commerce demand was reflected in the global e-commerce logistics market which grew by 27.3% in nominal terms in 2020.

Figure 2.1 Global e-commerce market size (€m) (2019-2025f)



	2019	2020	2025 (f) Low	2025 (f) High	2025 (f) Average
Market Size (€m)	289,242	368,116	466,533	557,088	647,642
Growth Rate	-	27.3%	-	-	-
Nominal Compound Annual Growth Rate (CAGR)	-	-	4.9%	8.6%	12.0%

Relatively high growth rates were experienced globally in 2020. Higher growth rates were seen in developing economies and markets where e-commerce is a newer phenomenon as well. For example, Thailand and Indonesia are notable for growth rates around the 50% mark. Large growth rates were also noted in markets where e-commerce has been around for some time, such as the United Kingdom and the United States, where growth was more than 30%.

These growth rates are a testament to the significant disruption that e-commerce has caused the retail sector on a global scale. In recent years, e-commerce has been gathering pace as more people around the world access online channels. According to financial services firm Finaria, the number of global e-commerce users grew 9.5% year on year to reach over 3.4bn users in 2020.

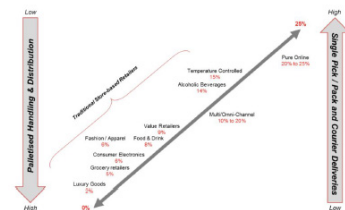


In the analysis that follows, the term 'e-commerce logistics costs' or merely 'logistics costs' should be understood to mean the sum of 'warehousing & fulfilment costs' and 'outbound shipping/last-mile costs' as defined in the preceding sections. Inbound shipping costs are not included.

3.1 Logistics Costs in Retail: Store-based, multi-/omnichannel & pure play

As illustrated in the diagram below, store-based retailers tend to have lower logistics costs as a % of sales compared to multi-/omni channel retailers and online pure plays. Analysis of retailers' finances and interviews for this report continue to reassert the basic premise that bulk distribution of palletised goods to fixed store locations remains a more cost-efficient operation than single pick-and-pack fulfilment operations and associated last mile delivery. The relatively higher cost of sales attributed to e-commerce logistics is one of the key drivers in investment in automation technologies in fulfilment operations seen at larger players such as Amazon and JD.com, as well as in efforts to establish alternative delivery networks in the last mile. Such networks, covered in section 2 of this report, are increasingly common and a common assertion amongst interviewees for this report was that PUDDO locations will serve an ever more important role in last mile e-commerce logistics in the future, across all regions.

Figure 3.1 Differences in Retail Logistics Cost Structure: Store-based vs e-commerce



As well as operational differences, such as the use of alternative delivery networks, analysis reveals that both location and sector remain important differentiators in determining e-commerce logistics costs. It should be noted at this point that publicly available data is somewhat scarce. Ti has analysed the data available from company finances of 21 retailers and made comparisons where cost definitions align and comparison are fair. Interviews with market players show the trends revealed are illustrative of the wider market and directionally accurate.

Global e-commerce Logistics 2021: Key Questions

- What are the critical challenges and opportunities for LSPs and retailers?
- How are retailers and manufacturers exploiting current opportunities within the market?
- How has Covid impacted sustainability concerns and priorities? How are LSPs responding to increased sustainability efforts?
- What are the differences in e-commerce logistics cost structures?
- What are the challenges to cross-border e-commerce growth?
- How does a retailer become more omni-channel?

This report is perfect for:

- Global manufacturers
- Banks and financial institutions
- Supply chain managers and directors
- Investors
- Logistics procurement managers
- Marketing managers
- Knowledge managers
- All C-level executives

Key numbers you need to know:

- The global **social commerce market** is forecast to grow by approximately **34% in 2021**.
- **Asia Pacific represents the largest regional market**, accounting for **41.6%** of the global e-commerce logistics market.
- **Logistics costs as a % of sales** are steadily **rising over time**.

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