

SOLVING THE Shipping Quandary

Where It All Began

2005 In 2005 Amazon offered Amazon Prime, with Free 2 day shipping for **\$79**.

2014 In 2014, Amazon raised the price to **\$99**.

2018 In 2018, the price went to **\$119**.

Behind the Scenes

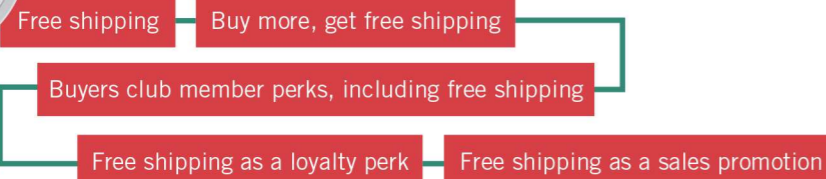
50% of deliveries by Amazon-branded vans driven by third party contractors

50% of UPS & USPS handle a large part of remaining deliveries

Amazon delivery vans are **lighter-duty class**: Lower-standard inspection than UPS style delivery trucks.



Options to Investigate



Motive

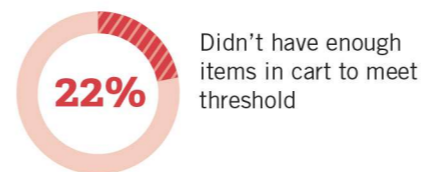
Free shipping should be part of an overall strategy for acquiring customers and retaining those who are most valuable.

What These Global 100 Top 15 Companies Are Doing

Amway	Buy more, get free shipping	Shipping charges for orders less than \$750 range incrementally from \$6.75 to \$21.75
Avon	Buy more, get free shipping	Online orders of \$40+ shipping is free
Herbalife	No free shipping	No free shipping
Nu Skin	Buy more, get free shipping	Free shipping for online orders of \$99+
Young Living	Loyalty club gets discount	\$1-2 discount for Rewards Members
Rodan + Fields	Free shipping as loyalty perk + minimum order	For loyalty program orders over \$80 shipping is free
Jeunesse	No free shipping	No free shipping

Consumers Say

When would you pay for shipping? (Multiple responses allowed)



Source: Internet Retailer/Toluna survey of 969 online shoppers



Nitty Gritty of Retail Shipping:

America's Top 1000 Retailers



*Internet Retailer's 2019 Report

Unconditional Free Shipping vs. Threshold Free Shipping

Percentage of Top 1000 Retailers in each category

