

Why to Offer 2-Day Delivery: Double Your Conversions and Reduce Ad Spend



In 1858, a package traveling from St. Louis to San Francisco would take a lightning-fast 25 days. Back then, this delivery time was considered an immensely impressive turnaround.

Today, ecommerce sellers deliver packages to the other side of the country within days, if not hours. And shoppers expect it.

Since selling its first product in 1994, Amazon has changed the game for quick fulfillment. Amazon Prime's 2-day deliveries are now the ecommerce standard, 33% of customers who opt for fast shipping are willing to wait 3 or more days for online orders.

In fact, fast shipping is so crucial today that 27% shoppers will choose one retailer over another because they have better delivery options.

If you can perform the balancing act of delivering online orders quickly enough without significantly increasing your operational overheads, you're well into an ecommerce goldmine. But are 2-day deliveries easier said than done?

Customer Shipping Expectations

We all know that change is the only constant in life, and this holds true with shipping time expectations.

In the early days of ecommerce, shopping online was a novelty that meant shipping speeds weren't that important, and standard shipping was the norm. Ordering something from your sofa and getting home delivery was a feat, and impressive enough in itself.

Fast forward forty years, and 2-day delivery is beyond important to customers. It determines where they shop, how much they spend, and the reviews they leave.

On average, online shoppers now deem 3 days an acceptable amount of time to wait for an online order.

Speed isn't the only expectation that's changing, either.

- More than half of shoppers expect up-to-date delivery information.
- Nearly a quarter of shoppers track their parcels via text alerts.
- 75% of customers expect free deliveries.

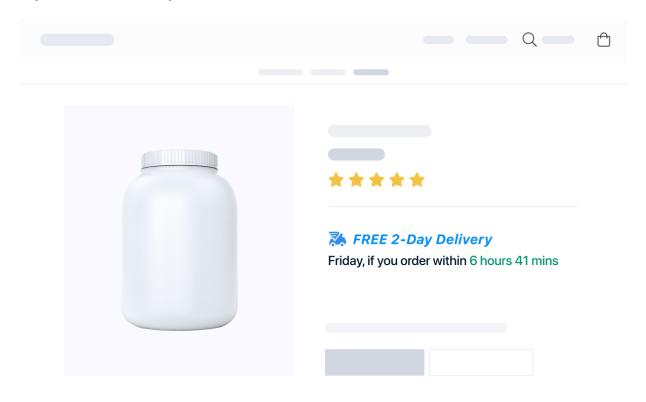
Your customers' orders must be fast, trackable, *and* free for best results. It sounds great for buyers, and daunting for sellers.



What is 2-Day Delivery?

2-day delivery means shoppers receive their orders within two days or purchase, providing they meet a cut-off order time. That means a 2-day time period between order placement and delivery date.

Depending on a seller's internal processes and the shipping carrier used, this could be two full days or two business days, counted from the time of checkout or the order cutoff time.

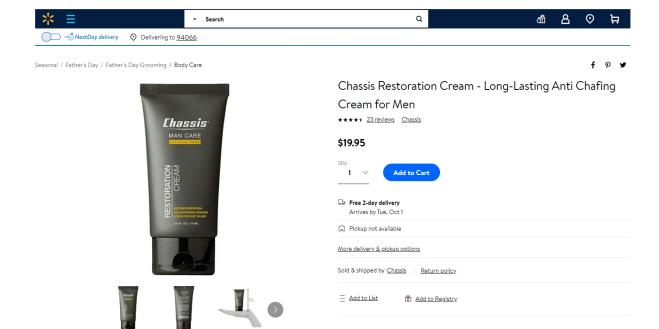


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For example, Walmart TwoDay Delivery ships orders received before 2 p.m. within two business days in the contingent US. So, if a customer orders a product on Monday morning, it's delivered the following Wednesday.

If someone orders an eligible item at 5 p.m. on Friday, they can expect to receive it the following Wednesday, since it's after the 2 p.m. cutoff and excludes the weekend.





(Source)

2-Day Delivery: Behind the Scenes

2-day delivery might be as simple as a click for customers, but there's a lot of work behind the scenes to ensure they receive orders on time – especially if they live across the country from your warehouse.

All deliveries must be coordinated between two main shipping options: Ground and Air shipping.

1. Ground shipping.

Ground shipping is the use of trucks, vans, and cars to transport orders from your warehouse to a customer's front porch.

Depending on your fulfillment set-up, you might use your own or an external shipping carrier's ground transport.

Ground shipping is the cheapest delivery method, allowing you to keep costs low and offer free two-day delivery without breaking the bank.

However, distance restricts ground shipping. If customers live too far away from your warehouse, you must consider alternative transportation methods or invest in a distributed network of warehouses to reach customers in time.

2. Air shipping.

Air shipping uses planes to transport orders to customers.

Air shipping is typically used to deliver products stored overseas or ship products to customers living too far away for 2-day ground shipping.

Air shipping is much more expensive than ground shipping, especially if you're not shipping in bulk. Having to use air shipping to achieve 2-day delivery makes it difficult to offer free shipping to customers.

3. Combine ground and air for cost-effective reliability.

The most efficient and cost-effective method for achieving 2-day deliveries is using a combination of ground and air shipping.

For example, Deliverr has a distributed network of warehouses all across the country. We use machine learning to store SKUs as close as possible to buyers, based on the location of historic



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days or fewer.	

demand. That way, we can select the most cost-effective shipping to get items to buyers within 2

Why You Need to Offer 2-Day Delivery on Your Store

According to eMarketer, ecommerce is expected to drive more than \$4.2 trillion in 2020 and increase to over \$6.5 trillion by 2023 worldwide. More people are shopping and selling online than ever before.

For ecommerce merchants, that means one thing: Competition.

It's becoming increasingly difficult to attract, convert, and retain customers using traditional ecommerce tactics such as low prices, niche products, or being first to market.

Fast delivery options are different. They stand out, meet expectations, and exceed them by providing customers with extra value. Here's why you must offer 2-day delivery, if you aren't already, as soon as possible.

1. Reduce cart abandonment.

18% of cart abandonment is because of slow delivery speeds. Some customers can't wait longer than 2 days for an urgent item, a last-minute present, or an eagerly anticipated treat.

2-day delivery overcomes some speed-related purchase blockers which in turn can reduce cart abandonment and increase conversions. According to Deliverr's data, one merchant saw a 300% increase in conversion after implementing 2-day delivery.

2. Boost customer satisfaction and loyalty.

More than a third of customers won't return to a retailer following a bad delivery experience.

Today, the online shopping experience encompasses everything from order to unboxing, and a huge part of that is how long it takes to go between those two steps. 2-day deliveries boost customer satisfaction by adding the finishing touches to an outstanding customer experience.

Delivering quickly shows you can fulfill as promised, you're dependable, and you care about premium customer experiences, which are necessary ingredients for increasing customer loyalty.

3. Expand your marketing influence.

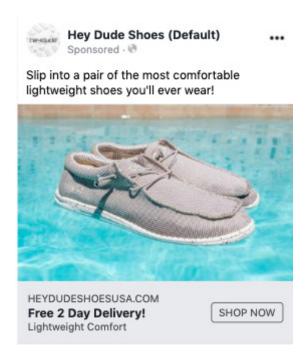
Fast shipping speeds give you something exciting, attention-grabbing, and useful to share across your marketing materials.

You can add fast shipping banners, tags, and wording to your emails, social media posts, and website. This works for ads as well, when you can highlight your delivery speeds in a way that



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hooks customers and entices them to click through to your store.



(Source)

Based on Deliverr data, some Deliverr merchants have seen a 50% increase in Facebook CPA by adding next-day and 2-day delivery badges to their Facebook posts.

Tip: Get 2-day delivery across the United States (continental US) when you fulfill with Deliverr. Your orders will show next-day shipping for buyers in eligible zip codes at no extra charge.



How to Keep 2-Day Delivery Costs Low

According to the Baymard Institute, shipping costs are one of the top reasons for cart abandonment. If you can't get your delivery costs low enough, you could deter customers or end up footing the bill yourself and losing your profit margins.

For 2-day deliveries to be attractive to customers and sustainable for your business, you need to know how to keep your 2-day delivery costs low.

1. Only offer 2-day delivery with a minimum order value.

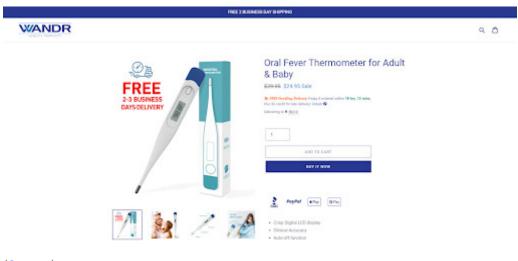
A minimum purchase value for free 2-day shipping means customers must spend a certain order amount before qualifying for 2-day delivery. This increases basket sizes to ensure you're making enough profit margin to absorb delivery costs.

And it's not uncommon. For example, non-Prime members must spend a minimum of \$25 on Amazon to qualify for free 2-day shipping.

2. Provide 2-day delivery for specific zip codes.

Providing 2-day delivery for only specific zip codes near your warehouses reduces the distance orders must travel, keeping your carrier costs to a minimum.

When you limit eligibility for free two-day shipping, it gives you more time to fulfill orders and, depending on how close your customers live, allows for next-day deliveries at no extra cost.



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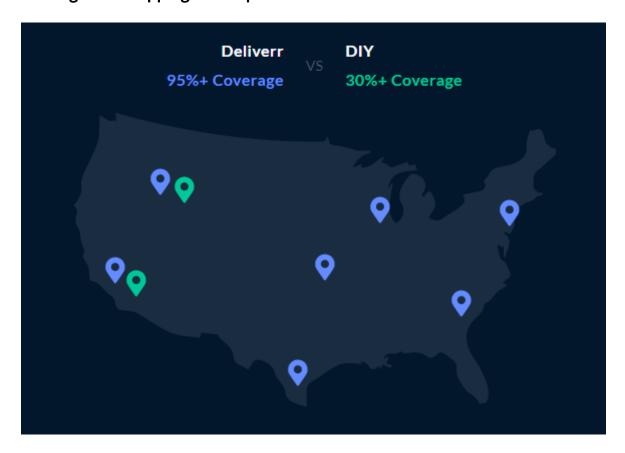
Tip: Deliverr provides free NextDay Delivery for shoppers in eligible zip codes, at *no extra cost* to merchants (they'll still pay the flat 2-day delivery fulfillment fee). Learn more about this here.

3. Work with an outsourced fulfillment partner to get discounted shipping rates.

3PLs have economies of scale to access discounted shipping rates, keeping your delivery costs low.

However, it's important to work with one tailored to offer ecommerce fulfillment services that integrate with all of your sales channels, with no unexpected fees or administrative costs.

4. Use ground shipping and ship from urban fulfillment centers.



(Source)

Ground shipping is the cheapest method of delivering orders in 2-days. Therefore, if you distribute your inventory across a network of urban fulfillment centers, you increase your SKUs coverage across the contingent US. This will reduce the distance your items have to travel to reach your buyers, allowing you to use ground shipping for 2-day deliveries.

3 Ways to Offer 2-Day Shipping

The best option for offering 2-day shipping is the method that best balances capacity and costs. You must deliver orders on time throughout the year in a way that keeps your business profitable.

This could mean in-house fulfillment, outsourcing parts of your fulfillment process, or using Deliverr for an end-to-end fulfillment partner.

1. In-house fulfillment.

In-house fulfillment involves using your own resources, space, and staff to ship orders within 2-days. This includes:

- Receiving and storing stock.
- Tracking and analyzing inventory.
- Picking and packing orders.
- Shipping deliveries with a reliable shipping carrier.

The benefits of in-house fulfillment are control and cost. You have complete control over how you meet 2-day delivery speeds, and you have a tighter rein over where you spend and save money.

The considerations of in-house fulfillment are capacity and scale. Delivering orders within 2-days requires highly efficient fulfillment processes, which are difficult to maintain during peak periods such as the holidays or when growing your ecommerce business.

For these reasons, many sellers choose to switch from in-house to outsourced fulfillment.

2. Outsourced fulfillment.

Outsourced fulfillment involves using an outsourced fulfillment center to achieve 2-day delivery speeds for you. This includes:

- Receiving inbound stock.
- Storing and tracking inventory.
- Receiving orders.
- Picking, packing, and shipping.



The benefits of outsourced fulfillment are expertise and capacity. Outsourced fulfillment centers excel at the fast shipping speeds of ecommerce and have scalable space and resources to meet 2-day deliveries, regardless of how busy or big your business becomes.

The considerations of using outsourced fulfillment are cost and sales channels.

While outsourced fulfillment centers have economies of scale that reduces storage, packaging, and carrier costs, some 3PLs sting you with hidden charges. For example, traditional 3PL models charge administrative, inbound shipment, and account management fees that quickly add up.

Another consideration of using outsourced fulfillment is multiple sales channel integration. Not all 3PLs integrate with all sales channels, and those that do may charge extra. For example, Multichannel FBA fulfills non-Amazon orders but charges a premium fee for doing so.

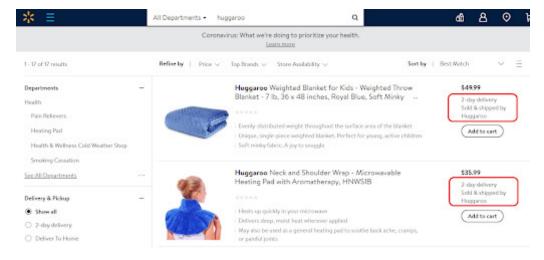
3. Deliverr.

Deliverr is an outsourced fulfillment service designed to facilitate fast delivery speeds of 2-days and fewer across sales channels. This includes:

- Disbursing in-bound stock across a network of warehouses in the US.
- Storing inventory close to customers to enable quicker shipping.
- Integrating with sales channels to download orders immediately.
- Picking and packing orders.
- Shipping using the most efficient and cost-effective carriers.

The major benefits of using Deliverr are speed and cost. Deliverr uses a network of warehouses and shipping carriers to deliver orders as quickly and cost-effectively as possible — providing 2-day shipping speeds that qualify for fast shipping programs across marketplaces and your own website.





(Source)

Deliverr also offers a transparent and all-inclusive pricing structure, so you know precisely how much your fulfillment fee will be, with no hidden fees or surprise charges.

Calculate your fulfillment costs with Deliverr on their cost calculator.

The considerations of using Deliverr are branded packaging and control.

Deliverr doesn't accommodate branding packaging because it slows down the fulfillment process, making 2-day deliveries challenging. But, since 67% of shoppers say convenience is the most important factor when buying online, it's a little price to pay for many.

Outsourcing fulfillment to Deliverr requires relinquishing a little control over storage and fulfillment. But, with live inventory management tools tracking your stock, and fast shipping experts handling your fulfillment, many sellers don't mind handing over this part of their business.

Tip: Check out common Deliverr FAQs here.



Start your 15-day free trial, schedule a demo or give us a call at 0808-1893323.

Wrapping Up

By picking the best fulfillment option, you're not just offering fast shipping; You're providing fast, reliable, and affordable 2-day delivery for both your customers *and* your business.

Whether you're new to ecommerce or an established brand, your bottom line can benefit immensely from 2-day shipping when you do it right.

