

GLOBALTRANZ[®]
Freight driven by technology.



Edelman

2021 Peak Shipping Season Report



Methodology

Edelman Intelligence fielded an online survey among decision makers of supply chain management/logistics procurement who also hold Leadership and Management positions. To qualify for the survey, respondents needed to: be 18+ years of age, live in the US, employed full-time, work at a company with 500+ employees, and either be a primary or partial decision maker about their company's supply chain management/logistics needs.

Similar survey waves were conducted in Spring, 2021 and Fall, 2020. Some of the same questions were asked across all survey waves. Comparisons and trends from the survey waves are noted in the following slides, where applicable.



Audience

Total

Leadership

(Self report as Owner, President, CEO, C-Suite Leadership, or Senior Management-EVP, SVP, VP)

Management

(Self report as Mid-Level Management- Director, Senior Manager, Manager, Department Head)



Sample Size

200

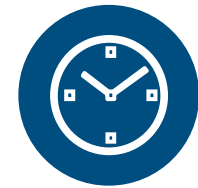
100

100



Method

10 - Minute
Online Survey



Timing

Survey Fielded
August 4 - 25, 2021

***The Fall 2020 wave was conducted September 21st - October 2nd 2020 among a sample of n=50 leadership and n=100 Management.*

***The Spring 2021 wave was conducted March 2nd - 17th 2021 among a sample of n=100 leadership and n=100 Management*

Key Findings

1

Decision makers' short-term confidence in their company's supply chain and revenue have dropped since Spring 2021 but remain strong on long term outlooks.

Compared to the previous survey wave conducted in March of 2021, the three-month outlook for supply chain and revenue dropped by 15% each, but only small directional drops for the six-month and year-from-now outlooks. Over time their perceptions improve, as 81% believe their supply chain will be stronger and 86% think their revenue will be better a year from now. They also feel that their ecommerce business will remain strong, despite the economy reopening.

2

Technology is at the forefront of what decision makers look for in a 3PL partner.

At least 8 in 10 decision makers cite the importance of a 3PL company providing cybersecurity measures, easy-to-use technology tools, custom ERP systems, access to real-time data, and technology that can be through a desktop or mobile device. Overall, they're looking to technology to make logistics easier.

3

Decision makers feel their company is trending in the right direction and are hoping to avoid a pull-back due to a COVID resurgence.

A significant gain was made among those who feel customers would recommend their company, compared to sentiments from the Fall, 2020 survey wave. This coincides with waning concern across the board with small parcel issues compared to Spring, 2021, and a 25% increase in those who say their 3PL partners were effective today vs. 6 months ago. COVID-19 is still on their minds though, as 79% are concerned a resurgence can negatively impact their supply chain and 70% think it can impact sales.

4

Hiring and retaining enough workforce is a concern for decision makers in both the present and long term.

Almost 9 in 10 decision makers say that their business must hire people to meet their current customer demand. Meanwhile, at roughly the same rate they're reporting their company will or likely will raise wages to attract and retain talent. Having enough workforce is the second most anticipated challenge for the remainder of 2021, only behind future lockdowns.

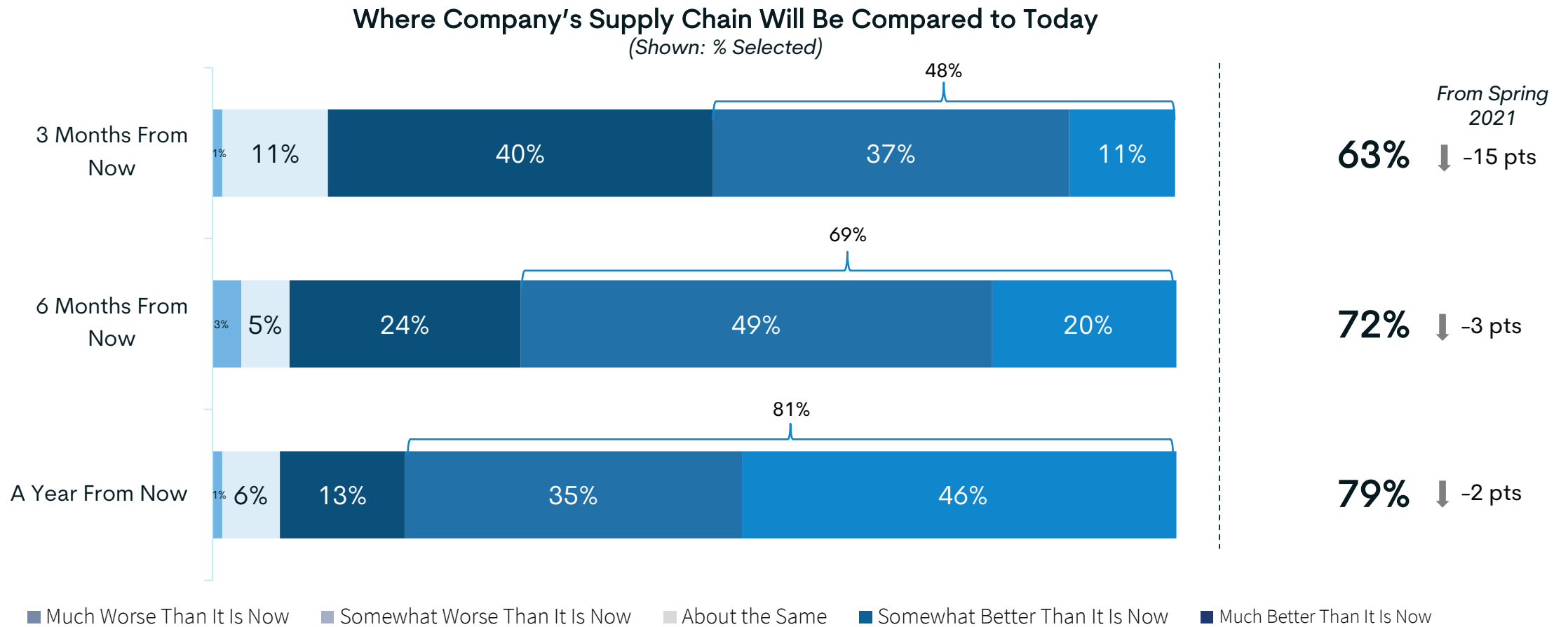
5

Decision makers are feeling more prepared for the upcoming peak season compared to 2020.

90% of decision makers indicated that their company's supply chain is prepared to meet the demand of customers for the upcoming peak season, a 14% increase compared to last year. Additionally, about 3 in 4 are expecting revenue to be higher this peak season compared to last. Nearly 9 in 10 decision makers say both them and their supply chain/logistics company are ready to handle the peak-season, showing confidence in a partnership they deem necessary. Overall concerns around certain challenges during peak-season have dropped across the board.

Half of decision makers have a positive 3-month outlook on their supply chain and even more of them share optimism looking further out.

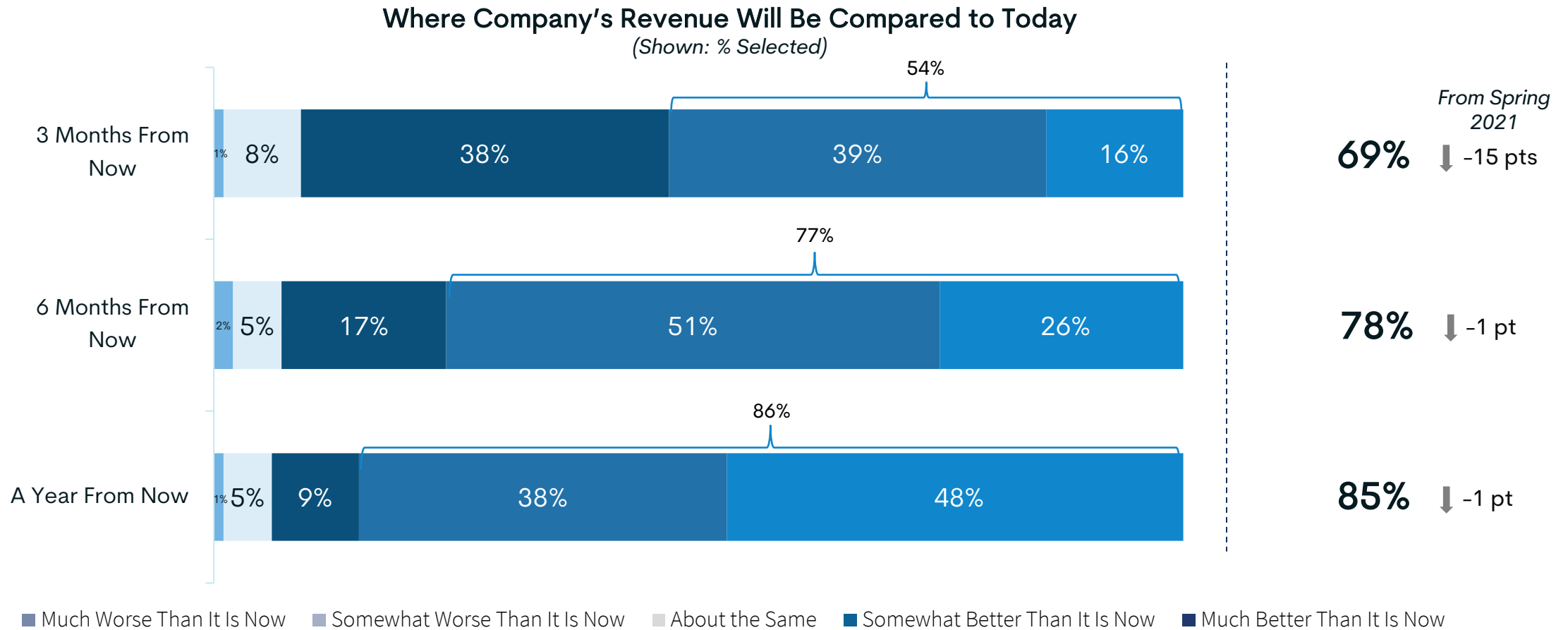
Compared to where decisions makers were at in the Spring, they're currently less likely to believe their 3-month outlook will be better than it is now, a 15% drop.



Values next to data indicate % change from Spring 2021 to current wave

Q1. Compared to today, where do you think each of the following will be...
Base size: Total (n=200);

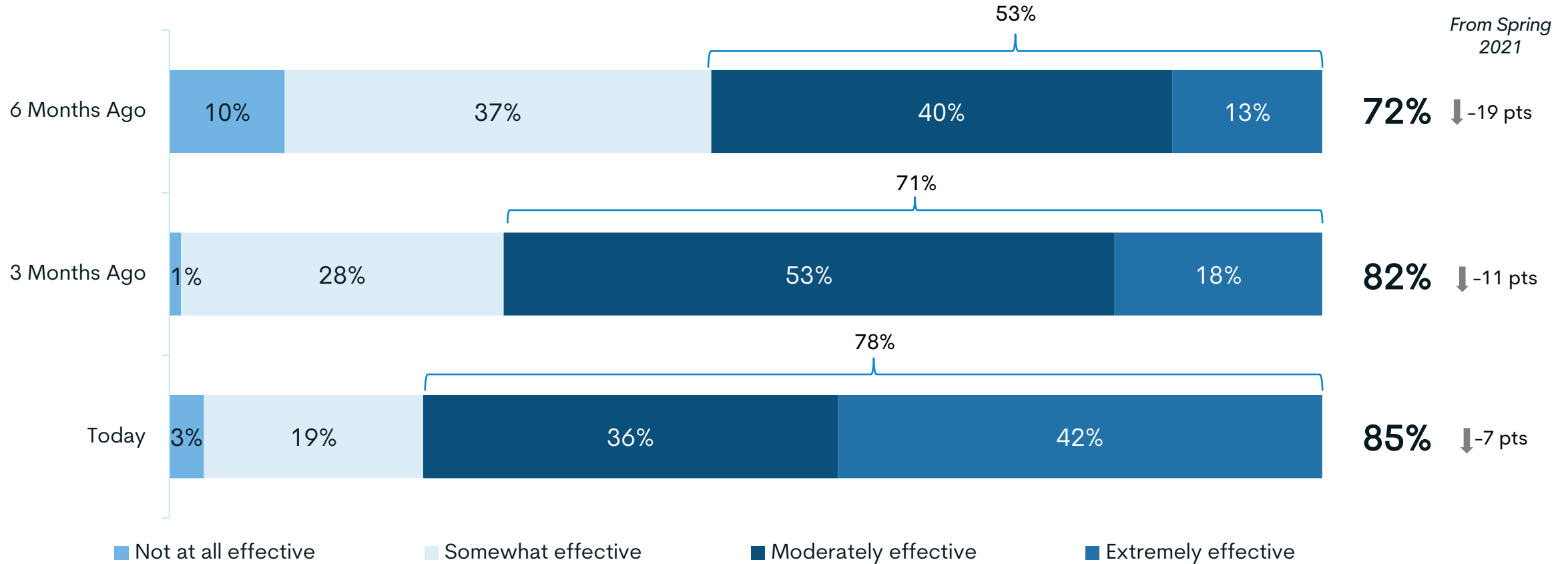
Similar to their company's supply chain, many indicate that their company's revenue will improve in the short-term, as well as a year from now.



Q1. Compared to today, where do you think each of the following will be...
Base size: Total (n=200);

Almost 8 in 10 decision makers indicate that their 3PL partners have been effective in meeting their needs, which has improved over the past 6 months.

How Effective 3PL Supply Chain Partners Were At Meeting Needs
(Shown: % Selected)



Values next to data indicate % change from Spring 2021 to current wave

Q2. At each of the following points in time, please tell us how effective your 3PL supply chain partners have been at meeting your needs?

Base size: Total (n=200);

Accessibility and ease of use continues to be important when looking for a supply chain logistics partner. Additionally, cybersecurity protection and ERP/Systems are valued.

Importance When Partnering With a Supply Chain/Logistics Company
(Shown: % Top 2 Box on a 4-pt Scale)

| | Total | Leadership | Managers |
|---------------------------------------------------------------------------------------------------|-----------------------------|------------|----------|
| Provides cybersecurity measures to protect company and customer data | 93% | 92% | 94% |
| Has technology tools that are easy-to-use | 93% | 93% | 93% |
| Provides custom ERP/Systems integration for shipment automation | 89% | 90% | 87% |
| Provides real-time data available to everyone across the company | 88% ↓ -3 pts from Fall 2020 | 87% | 89% |
| Meeting sustainability requirements | 87% | 89% | 85% |
| Has technology tools that are accessible through both a desktop and mobile device | 86% ↑ +3 pts from Fall 2020 | 87% | 85% |
| Offers a consultative role that provides guidance in setting up your company's supply chain | 86% | 90% | 82% |
| Makes sustainability efforts a priority | 85% | 85% | 84% |
| Has one seamless offering that handles all of my company's supply chain/logistics needs | 83% ↓ -2 pts from Fall 2020 | 85% | 81% |
| Offers multimodal transportation services (e.g. truckload, less than truckload, rail, air, ocean) | 83% ↑ +4 pts from Fall 2020 | 87% | 79% |
| Provides final mile services | 80% | 86% | 73% |

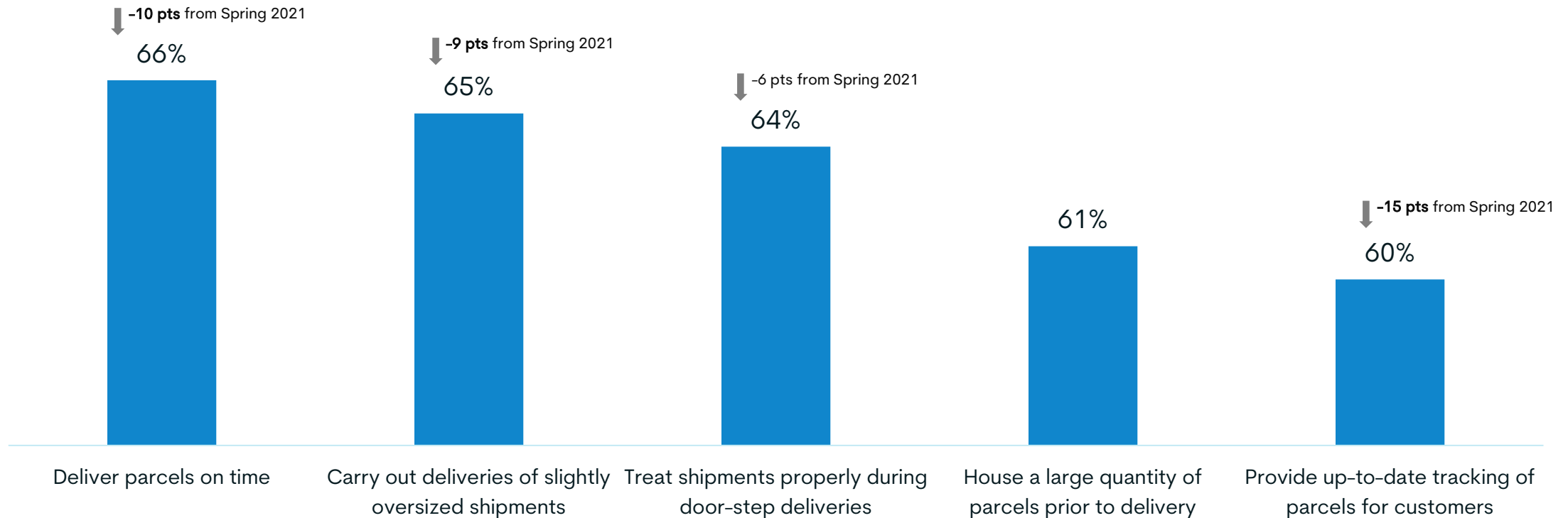
Values next to data indicate a % change from Fall 2020 survey

Q3. Please indicate how important each of the following statements are when partnering with a supply chain/logistics company?

Base size: Total (n=200); Leadership (n=100); Management (n=100)

While 6 in 10 decision makers are concerned about on time delivery, oversized shipments, and proper handling, concerns have tapered since March.

Concerns About Small Parcel Providers
(Shown: % Top 2 Box on a 4-pt Scale)



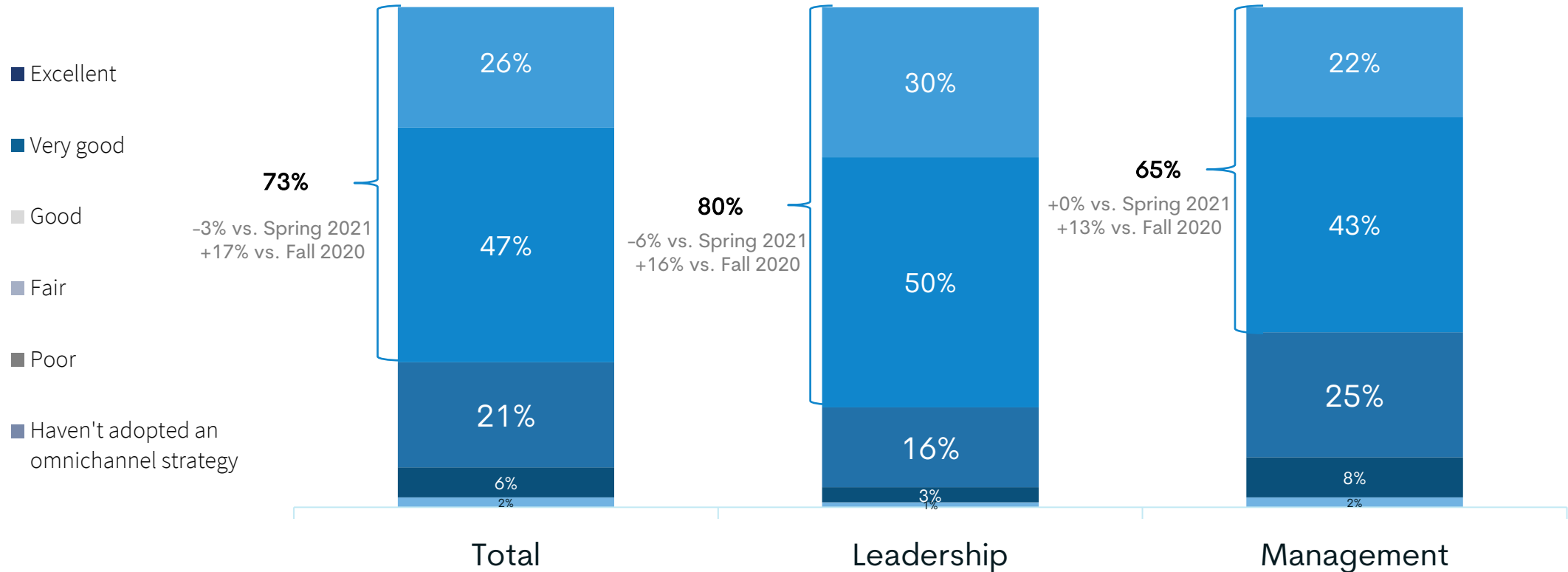
Values next to data indicate a % change from Spring 2021 survey

Q4. Now, thinking about your partnerships with small parcel providers, how concerned are you about their ability to do each of the following?

Base size: Total (n=200);

Progress in adopting an omnichannel strategy has improved greatly in the past year, but improvements have slowed since the Spring.

Progress Towards Omnichannel Adoption
(Shown: % Selected)



Values next to data indicate a % change from each survey

Q5. Many companies have had to change the way they interact with their customers. How would you rate your company's progress towards adopting an omnichannel strategy in the past 6 months? When we say omnichannel strategy we mean a multichannel approach to sales that seeks to provide customers with a seamless shopping experience, whether they're shopping online from a desktop or mobile device, by telephone, or in a brick-and-mortar store.

Base size: Total (n=200); Leadership (n=100); Management (n=100)

Almost 9 in 10 supply chain decision makers indicate that they need to increase hiring to meet their demand and that they'll need to increase preparations with partners for peak season.

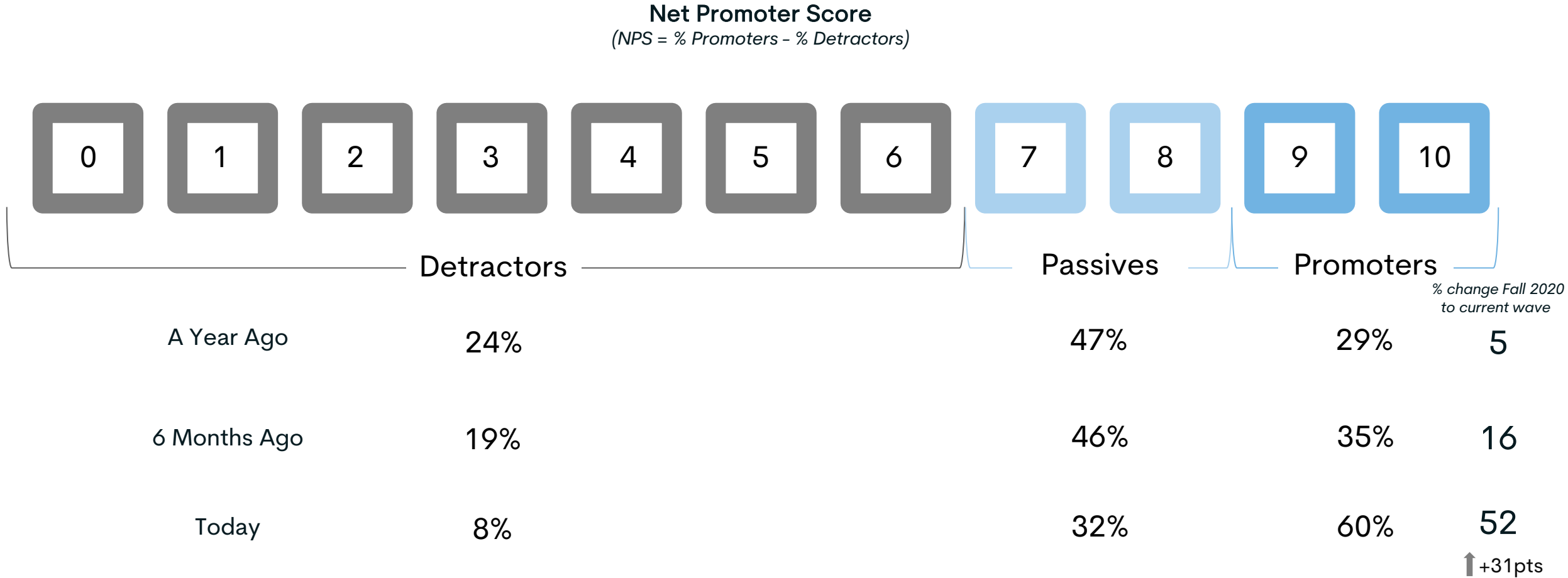
Attitudes Around Recent Business (Shown: % Top 2 Box on a 4-pt Scale)

| | Total | | Leadership | Managers |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------------------------|------------|----------|
| My company needs to increase its preparations with our logistics partners to gear up for peak season | 88% | | 90% | 85% |
| My company needs to increase hiring to meet current demands | 87% | | 88% | 85% |
| My company has had to streamline and simplify the payment process in order to satisfy customers | 81% | +0 pts from Fall 2020 | 85% | 76% |
| My company is more likely to seek out a managed transportation services provider (i.e. outsourced logistics and transportation services) | 79% | ↑ +5 pts from Fall 2020 | 87% | 71% |
| My company has experienced an influx of customers wanting last mile (i.e., final leg of a shipment's delivery to businesses or residences) solutions | 76% | ↑ +4 pts from Fall 2020 | 84% | 68% |
| My company has seen a higher demand for white glove service (e.g., in-home installation, haul away, etc.) | 73% | ↑ +4 pts from Fall 2020 | 87% | 58% |
| My company has dealt with more late or failed deliveries than we typically experience | 62% | ↓ -2 pts from Fall 2020 | 63% | 61% |

Values next to data indicate a % change from Fall 2020 survey

Q6. Thinking about the past few months, how much do you agree or disagree with the following statements?
Base size: Total (n=200); Leadership (n=100); Management (n=100)

Over the past year significant strides have been made when it comes to beliefs around customer satisfaction and their likelihood to recommend company.



Q7. Thinking about your company's overall customer satisfaction, we'd like you to tell us how well it performs. For each of the timeframes below, how likely would your average customer be to recommend your company to a friend or colleague?
Base size: Total (n=200);

Many believe that business from e-commerce will continue to be strong, yet many are concerned about a potential resurgence of COVID-19 impacting their business.

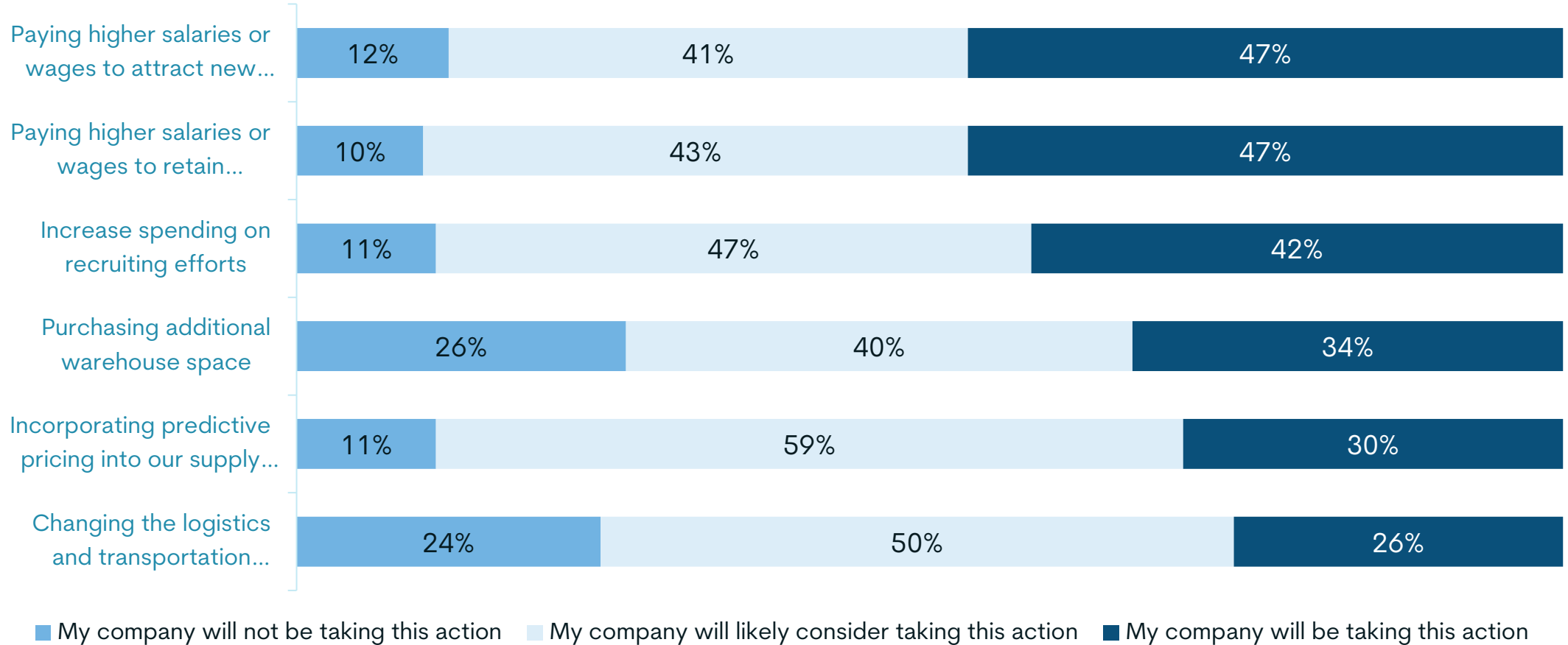
Attitudes Around the Reopening of the Economy (Shown: % Top 2 Box on a 4-pt Scale)

| | Total | Leadership | Managers |
|---------------------------------------------------------------------------------------------------------------|-------|------------|----------|
| I believe that my company's e-commerce business will remain strong | 94% | 97% | 90% |
| I anticipate that the return of in-person retail will lead to significant changes in our logistics operations | 84% | 88% | 79% |
| The economy reopening during peak season will create new challenges for my company's supply chain | 84% | 88% | 79% |
| I am concerned that a resurgence of COVID-19 will negatively impact my business' supply chain operations | 79% | 75% | 82% |
| I am concerned that a resurgence of COVID-19 will negatively impact my company's sales or revenue | 70% | 67% | 73% |

Q8. Thinking about the reopening of the economy, how much do you agree or disagree with the following statements?
Base size: Total (n=200); Leadership (n=100); Management (n=100)

Before year end, 4 in 10 companies will be increasing their spending on talent and paying higher salaries to attract and retain employees.

Likelihood of Actions Companies Will Take in 2021
(Shown: % Selected)

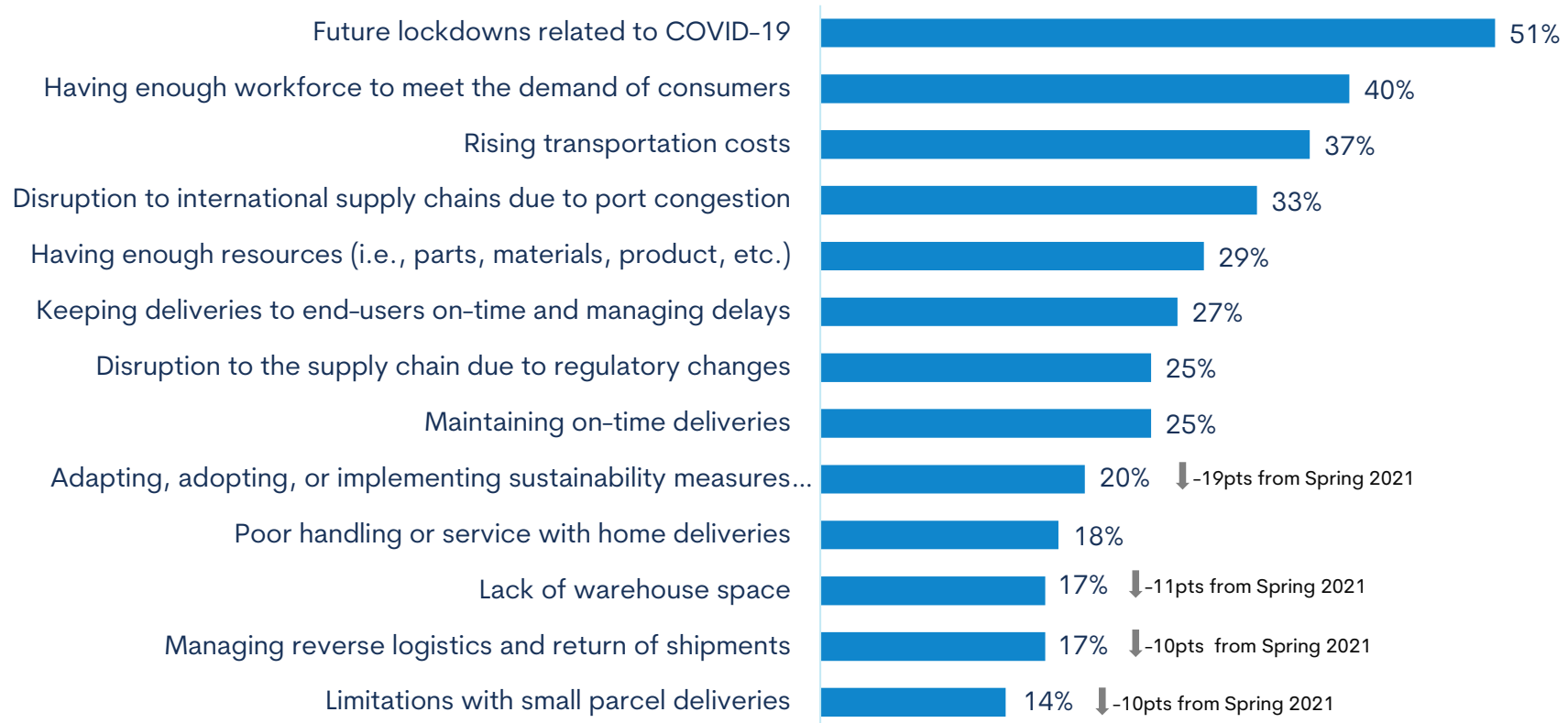


Q9. How likely is your company to do any of the following actions before the end of the 2021 calendar year?
Base size: Total (n=200);

Decision makers indicate that future COVID-19 related lockdowns, lack of workforce, and the rising cost of transportation are major challenges they'll face for the remainder of the year.

Business Challenges in 2021

(Shown: % Selected Major Challenge- Top Box on a 3-pt Scale)



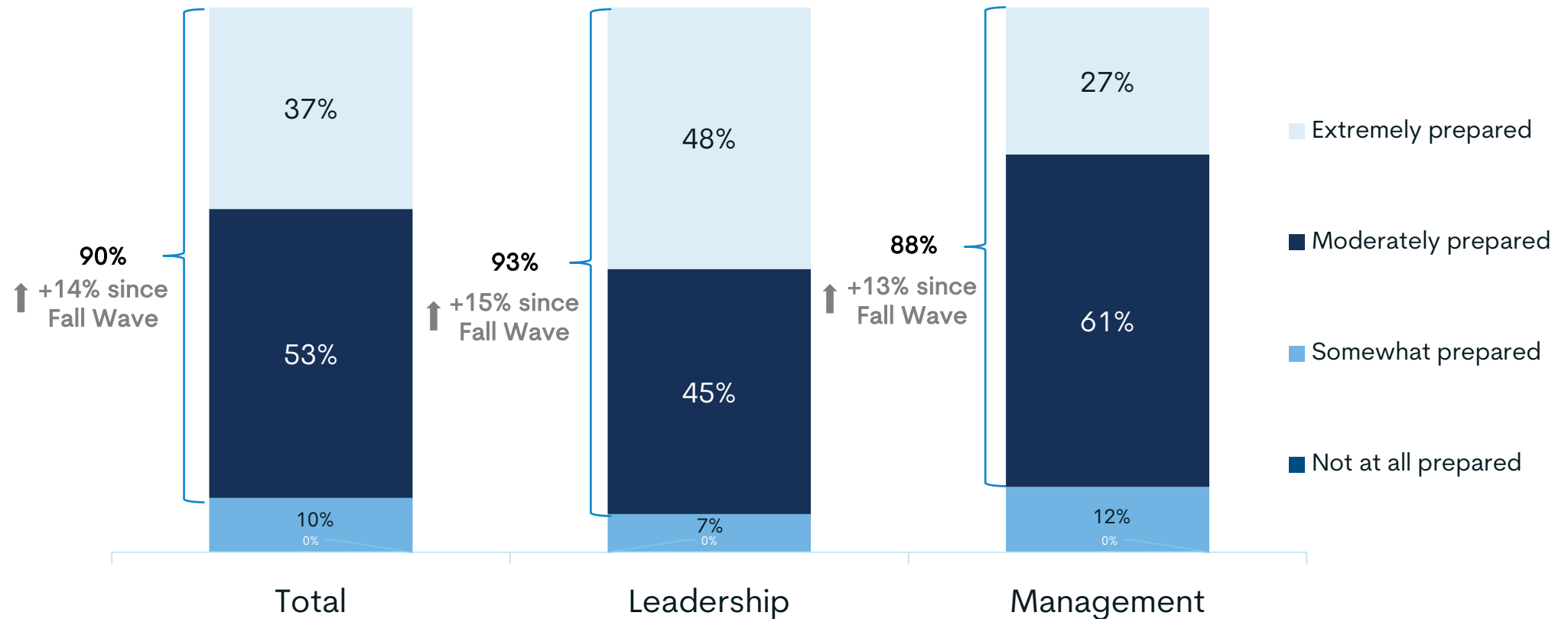
Values next to data indicate a significant % change from Spring 2021 survey

Q10. To what extent do you feel the following are challenges your business will face in 2021?

Base size: Total (n=200);

Almost a year later, decision makers feel that their company is more prepared to meet their customers' demand moving into peak season.

Peak Season Preparation for Meeting Demand of Customers
(Shown: % Selected)

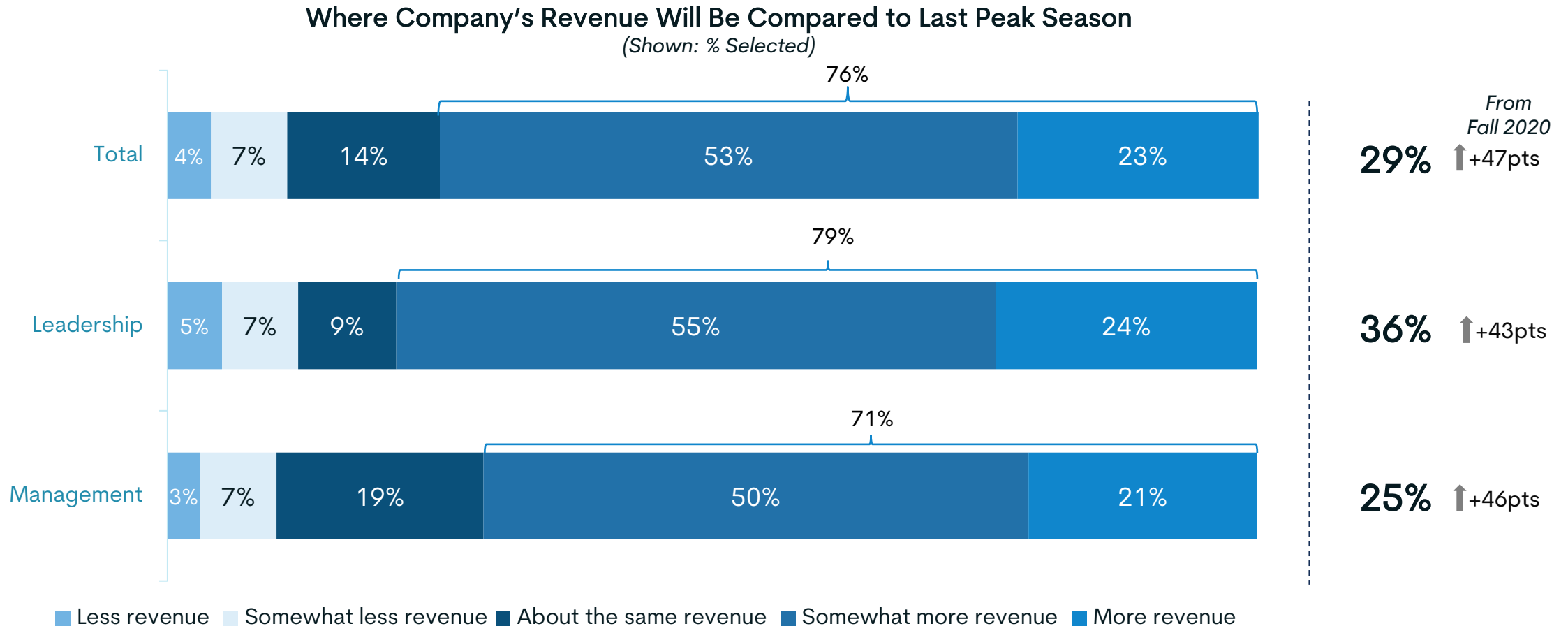


Values next to data indicate a significant % change from Fall 2020 survey

Q12. Continuing to think about the upcoming peak season, how prepared is your company's supply chain when it comes to meeting the demand of your customers?

Base size: Total (n=200); Leadership (n=100); Management (n=100);

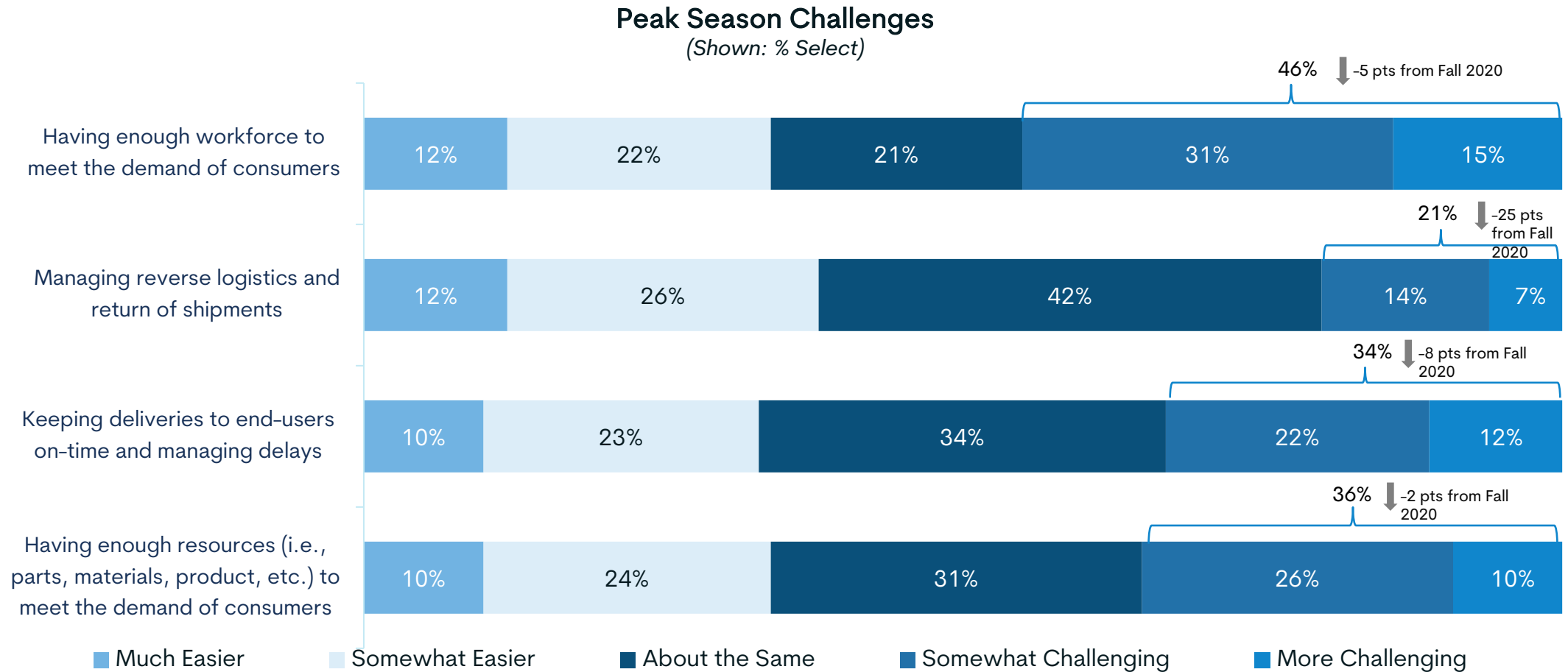
Almost 3 in 4 think that their company's peak season revenue will be better than it was last year, a significant jump compared to decision makers in 2020 thinking about 2019.



Q11. Thinking about overall sales at your company, how do you anticipate this year's peak season will compare to the peak season of 2020?

Base size: Total (n=200); Leadership (n=100); Management (n=100)

Supply chain decision makers' biggest challenge continues to be having enough workforce to meet their customers' demands. Far fewer are worried about managing reverse logistics.



Q13. Do you anticipate the upcoming peak season to be more or less challenging than last peak season for each of the following?

Base size: Total (n=200);

Partnerships with supply chain/logistics companies are seen as necessary, and decision makers are confident in those partnerships to meet peak season demand.

Attitudes About Upcoming Peak Season and Company's Supply Chain
(Shown: % Top 2 Box on a 4-pt Scale)

| | Total | Leadership | Managers |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------|-----------------|
| Partnerships with supply chain/logistics companies are necessary to get through the peak season successfully | 94% | 95% | 93% |
| I am confident in the strategies my company has in place to handle the upcoming peak season | 91% | 92% | 90% |
| My company's supply chain is prepared to meet the demand of our customers for the upcoming peak season | 87% | 89% | 84% |
| I am optimistic about the strength of the upcoming peak season | 87% | 89% | 84% |
| My company has formed partnerships with supply chain/logistics companies to meet the upcoming peak season demand | 86% | 91% | 80% |
| My company is seeking partnerships with supply chain/logistics companies to meet the upcoming peak season demand | 83% | 89% | 76% |
| As a result of changing customer purchase behaviors, my company has changed their supply chain/logistics operations to be more efficient | 83% | 85% | 80% |
| I anticipate that this year's peak season will extend beyond our typical | 77% | 79% | 75% |
| As a result of consumers buying in bulk or purchasing larger items, my company has had to rethink our strategy around logistics | 73% | 81% | 65% |
| As a result of changing customer purchase behaviors, my company has changed their supply chain/logistics operations to save money | 71% | 76% | 65% |
| I am concerned about the overlap between peak season and weather disruption (e.g., hurricane season, winter weather) impacting our supply chain | 65% | 69% | 61% |
| I am concerned about not having the proper resources to meet the demand of our customers | 60% | 57% | 62% |
| My company's peak season came earlier than previous years | 57% | 63% | 50% |
| I anticipate a potential shift away from e-commerce compared to last year's peak season | 57% | 71% | 42% |

Q14. How much do you agree or disagree with the following statements?
Base size: Total (n=200); Leadership (n=100); Management (n=100);

GLOBALTRANZ[®]
Freight driven by technology.

+



Edelman