

3PL Warehousing in the E-Commerce Era

The Latest Benchmarking Costs, Prices, and Practices for North American Warehousing Available in a New Report from Armstrong & Associates, Inc.



**ARMSTRONG &
ASSOCIATES, INC.**

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/EINPresswire.com/ -- Armstrong & Associates, Inc. (A&A) www.3PLogistics.com estimates the U.S. Warehousing Market at \$173.4 billion with Commercial Warehousing Revenue (comprised of Value-Added Warehousing & Distribution (VAWD/3PL) and Public Warehousing Revenue) at \$79.9 billion. By 2021, A&A expects the U.S. Warehousing Market will reach \$179.2 billion and the Commercial Warehousing Market will reach \$82.6 billion.

To track the most up-to-date costs, pricing, and practices in North American warehousing, A&A collected information from over 668 contract warehousing operations. The results are published in a report released today, "The Business of Warehousing in North America in the E-Commerce Era – 2021, Market Size, Major 3PLs, Benchmarking Costs, Prices and Practices." The report is the latest in A&A's series of Warehousing studies, which have been instrumental resources to the industry for over 15 years. In addition to market estimates, warehousing operators and customers of third-party logistics providers (3PLs) will find extensive guidelines for pricing, as well as A&A's Top 50 North American VAWD 3PLs and Top 20 U.S. E-Commerce 3PLs lists, capability and technology benchmarks, contract length data, warehouse size and revenue, VAWD 3PL customers' yearly contract value, in-depth analysis by commodities/industries and market rental and vacancy rates.

Top 50 North American VAWD 3PLs

A&A's Top 50 North American VAWD 3PLs list—representing 3,821 facilities and 939.2 million square feet of warehousing space—includes data on leading 3PLs, including number of warehouses, total space, warehouse and value-added service capabilities, and warehouse management system (WMS) deployment. The Top 50 have an average of 71 warehouses. The average size is 311,081 square feet.

Top 20 U.S. E-Commerce 3PLs

When it comes to e-commerce fulfillment in the U.S., it is Amazon and then the rest of the pack. Its e-commerce revenues are six times that of its next competitor UPS SCS. For an idea of Amazon's scale, the revenue generated by the 3PLs listed after Amazon on A&A's Top 20 U.S. E-Commerce 3PLs list, tallies to just under 53% of Amazon's revenue.

E-Commerce

U.S. 3PL e-commerce revenues reached \$43.4 billion in 2019, and A&A expects a 28.0% CAGR through 2020 as e-commerce purchases continue to expand during the pandemic and companies continue to outsource versus build internal fulfillment operations.

Benchmarking Costs and Prices

Operating margins, both expected and actual, have fallen since A&A's previous studies. Market competition and customer sophistication are two driving forces. Pricing, especially in light of scope creep, is always a challenge. A&A's Transactional Pricing Guidelines, included in the report, are guidelines for handling charges, storage per month by number of turns, rates for pallets high/deep, costs per square foot, racking costs, inventory turn discounts, per-hour labor rates, and transactional charges. Operating margin benchmarks are also provided.

This market size and benchmarking data is only available from A&A, and will be a valuable desktop reference. The complete report and other A&A research can be found at: <https://www.3plogistics.com/product-category/guides-market-research-reports/market-research-reports/>.

ABOUT ARMSTRONG & ASSOCIATES, INC.

Armstrong & Associates, Inc. (A&A) was established in 1980 to meet the needs of a newly deregulated domestic transportation market. Since then, through its leading third-party logistics (3PL) market research and history of helping companies outsource logistics functions, A&A has become an internationally recognized key information resource for 3PL market research and consulting.

A&A's mission is to have leading proprietary supply chain knowledge and market research not available anywhere else. As proof of its continued work in supporting its mission, A&A's 3PL market estimates are the most often cited in securities filings by publicly traded 3PLs, media articles and trade publications. In addition, A&A's email newsletter currently has over 88,000 subscribers globally.

A&A's research complements its consulting activities by providing a continually updated detailed database for analysis. Based upon its unsurpassed knowledge of the 3PL market and the operations of leading 3PLs, A&A has provided strategic planning consulting services to over 30 3PLs, supported 23 closed investment transactions, and provided advice to numerous companies looking to benchmark existing 3PL operations or outsource logistics functions.

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