



SPS COMMERCE

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Independent Study Quantifies the Bottom-Line Value of SPS Commerce Solutions for SHOP.COM

The online retailer realizes 57 percent growth in drop-ship orders, 20 percent decline in customer service calls and an ROI of 142 percent

MINNEAPOLIS, July 19, 2017 – [SPS Commerce, Inc.](#) (Nasdaq: SPSC), a leader in retail cloud services, today announced the release of a new Forrester Total Economic Impact™ study that quantifies the bottom line impact SHOP.COM realized after using SPS Commerce supply chain solutions.

“Through the adoption of the SPS Commerce platform, including our Sourcing and Fulfillment solutions, we commissioned Forrester to conduct an ROI-based case study on SHOP.COM, one of the world’s top 100 online retailers and a longtime SPS Commerce customer,” said Peter Zaballos, senior vice president and chief marketing officer, SPS Commerce.

The results of that research are now available via the commissioned July 2017 study, conducted by Forrester Consulting on behalf of SPS Commerce and titled [“The Total Economic Impact™ Of “The SPS Commerce Solution: Cost Savings and Business Benefits to SHOP.COM From the SPS Platform.”](#)

In its study, Forrester attributes several key results to SHOP.COM’s investment in SPS Commerce, including:

- 1 **Streamlined vendor sourcing.** “Prior to deploying SPS, we acquired suppliers via personal contacts, and it took us four to six months to onboard each supplier,” says Eddie Alberty, vice president of strategic partnerships, SHOP.COM. “Now, SPS sources 80 to 85 percent of our suppliers and onboards them in two to six weeks, saving us an average of \$42,500 per supplier.
- 1 **Increased profitability.** SHOP.COM was quickly able to expand into more profitable product categories—and realize a 15 percent increase in average gross profit margins on this new business.
- 1 **Reduced customer support costs.** SHOP.COM now can provide more accurate shipping and order status details from drop-ship vendors, resulting in a 20 percent drop in customer service call volume.

“By using the SPS Commerce platform and multiple SPS solutions, SHOP.COM was able to profitably transform its business to better meet the needs of today’s online shoppers and build customer loyalty,” said Zaballos.

In addition, Forrester’s interviews and subsequent financial analysis show that SHOP.COM has experienced benefits of \$1,510,662 million over three years, with a payback period of six months and an ROI of 142 percent.

“Through our sourcing solution, SHOP.COM has drastically increased the number of vendors it works with, as well the variety of merchandise it’s able to offer to its customers,” says Zaballos. “Overall, the company has added more than 50 drop-ship vendors and expanded its online assortment by more than 150,000 new SKUs.”

Adds Alberty: “The pre-qualification of vendors allowed our merchandisers to focus on suppliers that met our merchandising, supply chain, and financial growth requirements. And SPS is a strategic partner in our move into new markets with compelling brands and just overall improve the SHOP.COM customer experience.”

About SPS Commerce

SPS Commerce perfects the power of trading partner relationships with the industry’s most broadly adopted retail cloud services platform. As a leader in cloud-based supply chain management solutions, we provide proven integrations and

comprehensive retail performance analytics to thousands of customers worldwide. SPS Commerce has achieved 65 consecutive quarters of revenue growth and is headquartered in Minneapolis. For additional information, please contact SPS Commerce at 866-245-8100 or visit www.spscommerce.com.

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