Amazon is delivering nearly two-thirds of its own packages as e-commerce continues pandemic boom

Frank Holland



Amazon vans line up at a distribution center to pick up packages for delivery on Amazon Prime Day, July 16, 2019, in Orlando, Florida.

Paul Hennessy | NurPhoto | Getty Images

The pandemic-fueled e-commerce boom doesn't appear to be slowing down in the second half of the year as July package volumes exceeded the average monthly volume in the first three months of the outbreak.

According to data from ShipMatrix, <u>Amazon</u> shipped 415 million packages in July compared with a monthly average of 389 million between April and June. The e-commerce giant also delivered 66% of its own packages in July, compared with 61% between April and June.

"Amazon is such a huge player in the e-commerce space, they have to manage their delivery themselves to handle the increased demand for online orders, especially during the pandemic," said Satish Jindel, founder of ShipMatrix.

"They will continue to deliver more of their own packages, potentially reaching 80% of their own packages by next year. It means UPS and the [U.S. Postal Service] will be looking for more business to replace the Amazon business," he said.

Despite Amazon's surge in volume and the gains it made in self-delivery, <u>UPS</u> and <u>FedEx</u> also saw a boost in volume in July, according to ShipMatrix.

UPS saw volume grow 26% in July compared with average monthly growth of 23% in the April to June period.

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FedEx volume rose 22% compared with 19% growth, on average, in the first three full months of the coronavirus pandemic.

According to an eMarketer forecast, the third quarter will be the all-time peak for e-commerce with about 23% of all retail purchases being made online.

"E-commerce is continuing to grow because businesses have started to come back and that volume is coming back," said Jindel. "This third quarter will definitely surpass the volume of the 2019 holiday season. However, consumers should expect on-time performance to be lower."

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