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LOGISTICS REPORT

Postal Delivery Delays Trouble E-Commerce Sellers

Marketplace eBay says it is looking at 'more reliable delivery options' for its small merchants



Some e-commerce sellers have experienced delivery delays on packages shipped through the U.S. Postal Service.

PHOTO: PATRICK T. FALLON/BLOOMBERG NEWS

By [Jennifer Smith](#)

Updated Aug. 19, 2020 5:47 pm ET

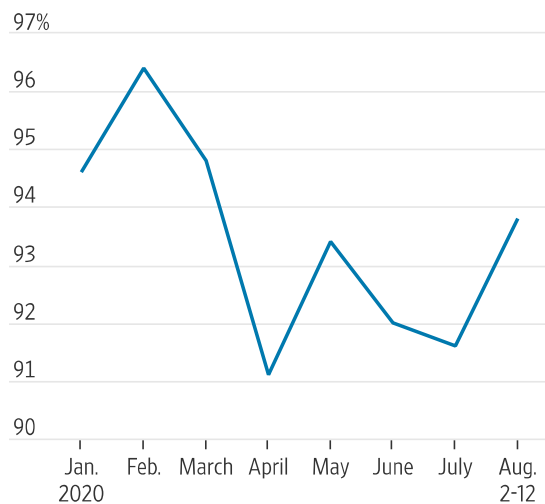
U.S. Postal Service package-delivery delays are causing headaches for e-commerce sellers and prompting digital marketplace [eBay Inc.](#) to look for alternatives as heavy online demand taxes domestic parcel networks.

EBay said in a blog post last week that the USPS “continues to be strained” and that the company is “working on other affordable, more reliable delivery options for sellers.”

The problems began in the early weeks of the pandemic, when the Postal Service was coping with staffing problems due to coronavirus outbreaks and a surge of packages as more people shopped online. The issues have continued through the summer.

Late Delivery

USPS on-time delivery performance for first-class and priority mail packages this year.



Note: USPS extended delivery windows in late April.

Source: ShipMatrix

“Delivery and scan delays persist, and we are monitoring not only the delays but ongoing negotiations in Washington,” Marni Levine, eBay’s vice president of seller operations and engagement, wrote in the post. A company spokeswoman declined to comment further.

A Postal Service spokeswoman said the agency “has experienced some temporary service disruptions in a few locations domestically, due to the Covid-19 pandemic. Things are slowly getting back to normal. However, until we reach pre-Covid conditions, we continue to leverage our available

resources to match the increased workload, including hiring based on local needs.”

Separately, there have been mounting questions about the agency’s role in handling the expected surge in mail-in voting this year as operational shifts under Postmaster General Louis DeJoy are being implemented. Mr. DeJoy said this week that the USPS is ready to handle “whatever volume of election mail it receives this fall.”

Mr. DeJoy said some operational changes will be suspended until after the November elections. A Postal Service spokesman declined to comment on whether that included reversing directives such as telling carriers not to make multiple trips to distribution centers for additional packages and mail, which postal union representatives and customers have said slowed deliveries.

In recent months online sellers say some packages shipped through the Postal Service are taking days or even weeks to arrive at their destinations and that some shipments can’t be tracked at all.

The difficulties are complicating business for small operators who rely on the Postal Service to ship packages at affordable rates, and come as USPS and other big parcel carriers whose networks are also straining to meet demand are planning to raise shipping fees during the holiday peak season.

Patrick Green, an analytics consultant based in Burlington, Conn., who sells new and used golf clubs through his GotClubs eBay store, said nearly half of his USPS shipments since May have been late, with about a quarter taking more than one week to arrive. “These delays lead to a ton of extra work for me,” he said. “When I see an item has arrived in five days, I consider that lucky.”

In July, USPS delivered 91.6% of first-class and priority mail packages on time, the lowest share since April, when the rate was 91.1%, according to ShipMatrix Inc., a software provider that analyzes shipping data.

On-time service improved after the Postal Service added an additional day to some delivery commitments in late April because of the coronavirus, but it hasn’t yet returned to pre-pandemic levels, according to ShipMatrix. The firm said 93.8% of parcels arrived on time between Aug. 2 and Aug. 12.

Shipping experts say all parcel providers, including delivery giants United Parcel Service Inc. and FedEx Corp., are struggling with on-time performance as accelerating e-commerce demand during the pandemic pumps millions of added shipments into parcel networks.

UPS delivered 95.2% of packages on time in the second quarter, while FedEx and USPS delivered 92.6% and 92.2% on time, respectively, according to ShipMatrix.

A FedEx spokeswoman said the company is experiencing peak-level residential volumes and taking steps, including hiring more workers, “to help ensure we continue to deliver for our customers.” A UPS spokesman declined to comment on the data but said the company is committed to providing its customers with “reliable, high-quality service.”

Small businesses and e-commerce sellers tend to rely more on the Postal Service

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than big commercial shippers, whose higher volumes allow them to negotiate discounted rates with UPS and FedEx.

That leaves few options for operators like Kathleen Doherty, owner of PupPanache.com, which sells personalized dog collars and harnesses on [Etsy Inc.](#)

“Small businesses like me cannot afford to ship UPS or FedEx and still make a profit,” said Ms. Doherty, of Parker, Colo.

She said she stopped shipping overseas during the pandemic because of international mail delays, and that this month she has had some domestic USPS packages out for two weeks with no way to track them. “Packages getting lost, that would make a lot of sellers say it’s not worth it.”

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