



Surprise! Holiday packages are moving on time

By [Chris Isidore](#), CNN Business

Updated 3:12 PM ET, Tue December 14, 2021

New York (CNN Business) — Here's a rare piece of holiday cheer in a year of [screwed up supply chains](#): Shipments and deliveries are actually moving fairly well.

Deliveries of packages by UPS, FedEx and the US Postal Service are all moving at close to 100% on-time performance, according to data from ShipMatrix, a software provider that works with parcel shippers. It's a pleasant surprise, even for those who anticipated that those three services would be well prepared for the holiday season.

"If you operate at the peak, that's tremendous," said Satish Jindel, president of ShipMatrix. "I was expecting [the performance rate] to be in the mid-90s."

Jindel attributes the better-than-expected results to three factors.

"One is [that] carriers added capacity," he said. "Second, many more consumers are [buying in stores](#) this year compared to last year. Having the shipments going to stores rather than homes helps. And third, people got a lot of exposure about the supply chain challenges, with [ships sitting outside ports](#). So many didn't want to risk a delay so they [ordered or shopped early](#)."

A survey conducted for UPS earlier this year found that 91% of consumers said they planned to complete all of their holiday shopping one week before Christmas compared to 81% last year. And about 60% of consumers aimed to finish shopping two weeks before the holiday, up from 52% in 2020, while 25% said they were planning to finish their lists before Black Friday.

Jindel said all three major delivery services made major investments in increased capacity over the past 12 months.

A year ago, all three were hit with a huge increase in shipment volumes — FedEx ([FDX](#)), for example, said its 2020 deliveries were 24% above 2019 levels. That put shipment volumes above the services' capacities and stretched their systems to the breaking point.

UPS ([UPS](#)) said it has added 2 million square feet of automated facilities, as well as equipment to process 130,000 more parcels per hour than it was able to handle last year. The Postal Service said it has added 13 million square feet of additional space across more than 100 locations, including at more than 50 annexes, and installed 112 new package sorting machines.

And all three delivery services have brought on tens of thousands of seasonal workers, in addition to hiring more permanent, full-time staff, despite the [labor shortage](#).

This year Jindel said overall shipment volumes will be only narrowly higher than in 2021 — perhaps a low single digit increase industry-wide. But the increased capacity will make handling that volume much smoother.

Even so, that doesn't mean holiday shoppers will be able to get everything they want delivered by December 25.

Some items are still out of stock and won't be able to start their trip to purchasers' homes or nearby stores in time for the holidays.

But Jindel said the data show that the shipping companies are hitting their promised delivery times. Still, it's best not to wait to order or send gifts. The Postal Service recommends consumers mail non-express packages by this

Wednesday and first class packages weighing less than a pound by this Friday in order to get them delivered by Christmas.

The three carriers also are reporting that their delivery networks are running smoothly, even as they all report increased package volumes.



Related Article: Glimmers of hope emerge in the supply chain nightmare

The Postal Service said it expects to deliver between 850 million and 950 million packages between Thanksgiving and Christmas this year,. That gives USPS a chance to exceed the record 925 million parcels delivered during the 2020 holiday season, and will certainly top the 810 million packages the service delivered in the last pre-pandemic holiday season of 2019.

UPS also said it is forecasting a volume increase from last year's record levels, though it has yet to provide specific. Over the first nine months of this year daily domestic package volume at UPS was up 2% from 2020, which itself was up 15% from the first nine months in 2019.

FedEx said it expects to handle 100,000 more packages this holiday season than it did in 2019.