

EasyPost White Paper

Risk vs. Reward: Single-Carrier Shipping vs. Multi-Carrier Shipping





Table of contents

A brief introduction to single carrier vs. multi-carrier shipping.....	3
Multi-carrier shipping offers a host of benefits	3
A deeper dive into single vs. multi-carrier shipping	4
The growing importance of regional carriers.....	5
Regional carriers aren't one-size-fits-all	6
Why multi-carrier?.....	6
EasyPost's multi-carrier shipping advantages	8
The world of single-carrier shipping is fleeting	11

A brief introduction to single carrier vs. multi-carrier shipping

Today's businesses are under more pressure than ever to deliver packages to the doorsteps of online shoppers. Years ago, it was commonplace for businesses to solely rely on one carrier for the scope of their shipping needs. Companies could access predictable shipping costs and delivery guarantees through their single carrier, and each carrier had an accurate and predictable forecast volume. As the online shopping landscape continues to evolve and consumers' attention spans dwindle, businesses must begin to leverage multi-carrier shipping for their e-commerce shipping solutions.

Relying on single-parcel shipping strategies is an approach of the past. This is where the importance of a multi-carrier shipping partner comes into play. Let's dive into the topic of multi-carrier shipping and exemplify its importance in the ever-evolving shipping landscape.



Multi-carrier shipping offers a host of benefits

Streamlining your shipping needs into a sole carrier must be easy and inexpensive, right? In reality, single-carrier shipping puts more pressure on your carrier to perform without flaws. One kink in the logistical process and your customers will be feeling the effects.

The question of whether single-carrier or multi-carrier shipping is more beneficial for your business is one of the past. Companies that opt for single-carrier shipping are taking a huge risk by putting their complete trust in a sole carrier; there's no possibility of comparing routes or rates, and there is minimal flexibility and agility.

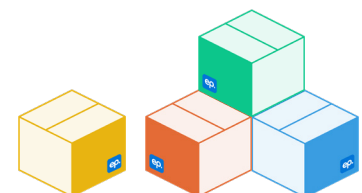
One major complaint that e-commerce companies have is the idea that they'll have to keep up with multiple carrier relationships to get their packages out the door. Multi-carrier shipping, particularly through a streamlined API, allows businesses to access as many individual carriers as necessary to distribute their products affordably and efficiently.

Rather than integrating with each carrier individually and staying on top of those relationships, many companies instead integrate with a multi-carrier shipping API, such as EasyPost, for access to 100+ carriers through a single integration.



30%

reduction in shipping costs when companies rate shop and add additional carrier options



A deeper dive into single vs. multi-carrier shipping

SINGLE CARRIER SHIPPING

Pros

- Single relationship to maintain

Cons

- The inability to rate shop across carriers
- All shipping power is in the hands of the single carrier
- No negotiating power
- Higher shipping costs
- Capacity limits
- Reduced flexibility and agility
- Limited returns flexibility

MULTI-CARRIER SHIPPING

Pros

- The ability to compare rates across carriers
- Mitigate the risk of delays, lost parcels, etc.
- Increased negotiating power
- Lower shipping costs
- Lessened capacity limits
- Agility and flexibility, less prone to disruptions
- Increased returns flexibility

Cons

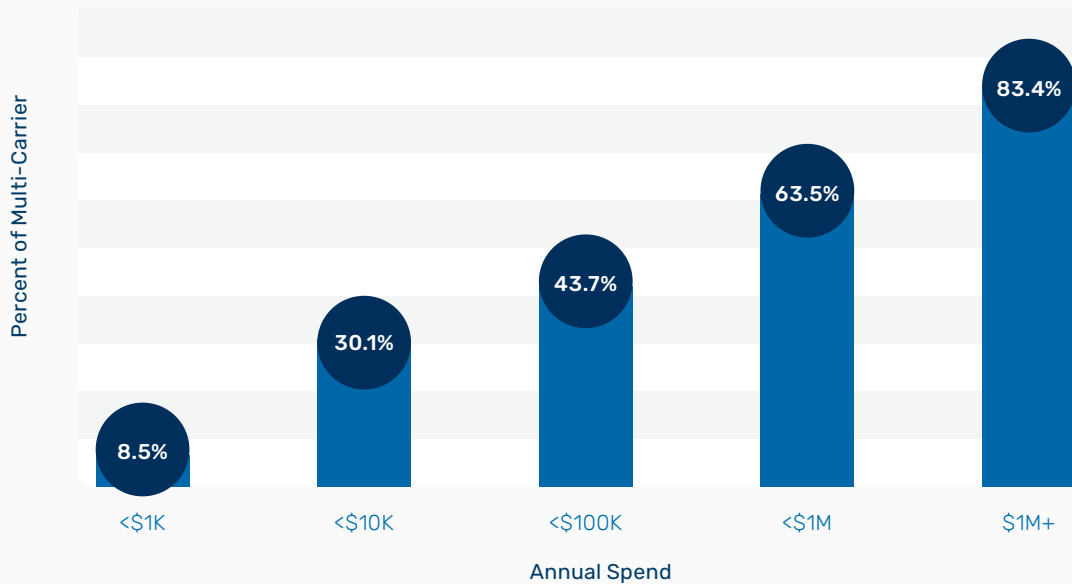
- Seemingly difficult to maintain carrier relationships



43%

of retailers generate more revenue by offering additional shipping options

Percent of Companies Using Multi-Carrier Shipping by Annual Spend



Source: EasyPost data, April '21-June '21

The growing importance of regional carriers

Carriers, such as UPS and FedEx, service hundreds of millions of accounts and customers in the U.S., quickly meeting capacity limits. How can you achieve the high service level you expect if your packages are just a number?

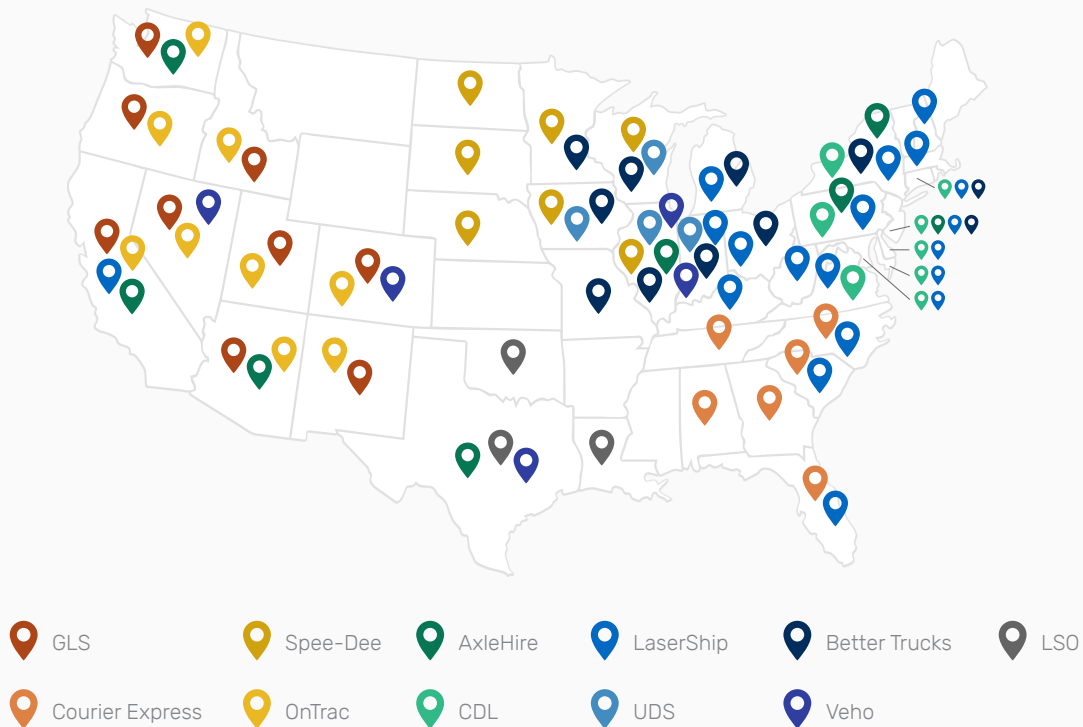
Regional parcel carriers are an intelligent method of filling gaps in your shipping strategy, offering online retailers a host of benefits. They cover over 85% of the U.S. population and often focus on 500 miles or fewer delivery distances.

As regional carriers service smaller geographical networks, they offer faster, cheaper, and more responsive delivery services that can avoid common congestion that develops during peak season. For example, here is a map representing EasyPost's regional carrier network in the U.S. Each region has a list of carriers that can help deliver packages in the most efficient way possible. Our pre-existing relationships and continual compliance with these carriers means less time and resources from your teams.

85%

regional coverage of the U.S. population and focus on 500 miles or fewer in delivery distances

EasyPost's Regional Carrier Network



Regional carriers aren't one-size-fits-all

It doesn't make sense for every e-commerce business to blindly hop on the regional carrier movement as part of their multi-carrier shipping strategy. If your shipping volume isn't high enough to qualify for bulk-shipping discounts or if you don't have the right technology in place to set up route orders via the ideal carrier, it may not be as advantageous as you think to use regional carriers.

Factors that determine whether or not a regional carrier is right for you include:

- ✔ The size of your company
- ✔ The types of products you sell
- ✔ Where your customers are located
- ✔ Your monthly shipping volume

Our team of experts at EasyPost are always happy to help you determine the best route for your shipping strategy. We can guide you on whether or not regional carriers make sense for your needs.



Why multi-carrier?

The answer to whether or not multiple carriers can bring value to your business is simple. If you can simplify your shipping needs, you can free up time to focus on other areas of your business.

KEEP UP WITH RISING E-COMMERCE DEMAND

E-Commerce is only continuing to grow year after year. In 2021 alone, e-commerce purchases are on track to hit \$4.5 trillion with a year-over-year growth rate of 15%. Although the pandemic prompted massive growth in the e-commerce industry, this growth isn't going away any time soon.

As a result of this explosive growth, your business must be set up to handle the increased shipping volume. Utilizing multiple carriers can help businesses successfully keep up with increased shipping demand while offering them the flexibility and scalability to make changes as needed.

Benefits of regional parcel delivery



Freight rates that are anywhere from 10-40% less than national carriers



Expanded next-day delivery area



Service offerings including same-day delivery, Saturday delivery, later pickup times, on-call delivery



Heightened security offerings such as on-call pickup, proof of delivery, three-day delivery attempts, and signature required options

AGILITY DURING INDUSTRY DISRUPTIONS

Relying on one carrier means all of your packages are in one basket. If something goes awry, such as price increases, inclement weather, packages are consistently becoming lost, etc., you won't have a backup plan in place. Shipping strategies involving multiple carriers minimize disappointed customers and can maintain a strong brand reputation.

Consider the ongoing impact of the global pandemic on the shipping industry. In 2020, UPS' daily shipping volume increased 21% on average. Increased demand combined with decreased availability made shipping times significantly delayed. This issue was exacerbated for companies only using a single shipping carrier.

DIRECTLY COMPARE SHIPPING PERFORMANCE

KPIs are important to track in the shipping industry. Ask yourself the following questions about your current shipping carrier(s):

- What percentage of your packages are being delivered on time?
- Are customers receiving packages intact?
- Is your carrier providing you with guarantees when it comes to delivery dates?
- Is it easy to get a hold of your carriers if you need to resolve a particular issue?

Utilizing multiple carriers allows you to choose only the best partners for your business. Don't hesitate to shop around and seek out as many options as possible before deciding which carrier will suit your needs the best.

INCREASED EFFICIENCY, REDUCED COSTS

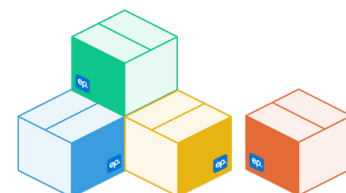
No business wants shipping costs to eat away at their bottom line. This is particularly true for businesses growing at exponential rates. Multi-carrier shipping solutions can significantly reduce the cost of your shipping operations by allowing you to choose prices based on shipment weight, origin, destination, and speed.

One major reason that regional carriers in particular are gaining traction is their reliable delivery promises. High levels of service combined with earlier or later pickup times give regional carriers a competitive advantage over national carriers. Utilizing multiple shipping carriers allows you to directly compare pricing plans to see what makes the most sense for your business. Leveraging this information can help you obtain even better rates to ensure you're getting the best deal.



21%

*on average increase
in UPS' daily shipping
volume in 2020*



BETTER SUITED FOR PEAK SHIPPING SEASON

The sheer agility that comes with multiple shipping carriers sets your business up for higher chances of success during peak shipping season. As 40% of holiday shoppers expect items with “fast shipping” to arrive within two days of placing an order, there’s not much wiggle room in the case that something goes wrong. E-Commerce is synonymous with peak shipping season, and a multi-carrier shipping strategy is critical to a hassle-free holiday season.

INCREASED RETURNS FLEXIBILITY

Did you know that 30% of online purchases are returned? This is compared to about 8.89% in brick-and-mortar stores. Any sound shipping strategy should also factor in returns, and not all shipping carriers are experts at reverse logistics. Utilizing multiple carriers allows businesses to seek competitive prices when it comes to returns. While not all businesses sell returnable products, for many businesses, it’s important to find a carrier that particularly excels in this realm.

LESS PRONE TO DISRUPTIONS

Keeping up with delivery guarantees can be a struggle for major carriers, particularly as online shopping rates continue to increase. Throughout 2020, on-time delivery rates have fallen significantly and consumers are noticing. Regional carriers are less prone to the same disruptions that national carriers are seeing. According to Supply Chain Dive, regional carriers made up 30% of third-party logistics shipments in October 2020, up from 4% in January 2020.



EasyPost’s multi-carrier shipping advantages

Not all multi-carrier shipping platforms offer the same benefits. It takes modern, robust technology and a team of dedicated engineers to keep a best-in-class platform performing with 99.99% API uptime.

EASILY ADD CARRIERS ON THE FLY

Our multi-carrier access makes it easier than ever to connect and compare rates across 100+ carriers through a single integration. If you need to add a last-minute

40%

of holiday shoppers expect items with “fast shipping” to arrive within two days of placing an order

36%

overall savings on shipping costs for EasyPost customers using multiple carriers vs. those only shipping with a single carrier



EasyPost has been instrumental in allowing us to consolidate all of our shipping methods under one system. We are excited to use a technology that presents non-traditional delivery options like AxleHire. EasyPost allows us to provide same-day delivery seamlessly.

Transportation Representative
at Yamibuy

carrier option to your shipping strategy, simply get in touch with your EasyPost representative and he or she will work with you to add the integration. This flexibility and scalability is an advantage that single-carrier shipping doesn't offer.

THE PERFECT COMPLEMENT TO OTHER SHIPPING TECHNOLOGY

Our API can power parcel shipping as a complement to any IMS, OMS, WMS, TMS, ERP, marketplace, or e-commerce platform. Our multi-carrier shipping platform integrates seamlessly and works in tandem with your technology stack.

FAST, RELIABLE SHIPPING 24/7/365

Consumers today expect fast and cheap shipping options when shopping online. In many cases, they evaluate brands entirely based on the shipping experience. Shipping APIs have become critical in the industry for allowing e-commerce companies to quickly integrate with multiple carriers to provide end customers with better shipping options. E-Commerce companies' evaluation criteria for shipping APIs have moved heavily towards how fast and reliable the service is.

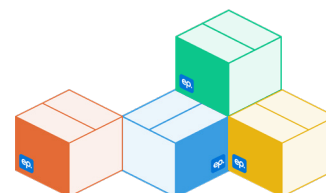
EasyPost's APIs are lightning-fast and highly reliable, and it's not by chance. We've poured significant engineering time and resources to get to under 300ms response times and 99.99 percent API uptime, and every day we improve. Having a reliable shipping partner will give you the peace of mind that you need to focus on growing your business.

100+

carriers through a single integration with the EasyPost API

99.99%

EasyPost's API uptime - the most reliable in the industry



Customer Experience Revolves Around Low-Cost, and Accurate Shipping Options

Cost

Speed

Delivery estimates



79% of consumers are more likely to shop online if free shipping is available

63% of consumers expect standard delivery to arrive within three days

54% give repeat business to retailers that can predict when a package will arrive

43% abandon their carts because of high shipping charges

85% felt delivery speed missed their expectations

53% won't purchase online without a delivery date

Sources: [Narvar](#), [Walker Sands](#)

DON'T FORGET ABOUT SCALABILITY

As your business grows, you'll need a clear shipping solution to keep up with increasing package volumes. Scaling your shipping needs can help you obtain the most competitive rates, additional automation, and parcel shipment planning to ensure that additional packages arrive safely to their destination.

SAVE MONEY & IMPROVE ON-TIME DELIVERY METRICS

Carrier performance is an integral part of your end-to-end customer experience that directly impacts your brand's image and customer loyalty. EasyPost allows you to tap into billions of shipments across all major and regional carriers to improve your delivery times and identify less expensive carrier services.

EasyPost's patent-pending SmartRate API goes above and beyond what any competitor can offer, in terms of rate shopping and time-in-transit predictions. The SmartRate API provides shippers with highly accurate shipment-level transit time predictions which can be used to save money, improve on-time delivery, and provide end customers with highly reliable delivery estimates.

Benefits of SmartRate

Save Money

Identify less expensive carrier services that meet your customer's transit time criteria.

Improve On-Time Delivery

Improve credibility and customer retention with better on-time delivery metrics.

Provide Better Shipping Options

Improve the customer experience with more flexible shipping options and/or offer guaranteed delivery times.

Standard Rating API +more

INPUT

```
Standard Rating API
<SHIPMENT_ID>
```

SAMPLED OUTPUT

Carrier	Service	Rate	Delivery_days
USPS	Priority	\$10.31	3
FedEx	2-day	\$43.17	2
FedEx	SmartPost	\$11.01	NULL

SmartRate API

```
SmartRate API
<SHIPMENT_ID>
```

Standard Rating API				+more		
Carrier	Service	Rate	Delivery_days	p_95* transit days	p_90 transit days	p_85 transit days
USPS	Priority	\$10.31	3	3	2	2
FedEx	2-day	\$43.17	2	3	2	2
FedEx	SmartPost	\$11.01	NULL	4	3	2

*p_95 represents the number of transit days that 95% of packages get to their destination for that specific to and from location associated with the shipment.

EasyPost Partners with Foxfire WMS to Expand Shipping Capabilities for Radio Flyer

CHALLENGE

One of Foxfire's customers, Radio Flyer, was doing everything in its power to keep up with growing consumer demand, but establishing relationships with each carrier was proving to be time consuming and tedious, resulting in a restrictive shipping capacity.

SOLUTION

Foxfire integrated EasyPost's multi-carrier shipping API directly into their WMS, allowing their customers, such as Radio Flyer, to easily ship with multiple carriers, rate shop between those carriers, verify addresses, batch shipping, and track their packages.



We partnered with EasyPost just in time for peak shipping season, easily raising our shipping capacity to surpass the expectations of our retailers.

Matt Herrera, Application Architect at Radio Flyer

4x

Radio Flyer's shipping capacity

4,000

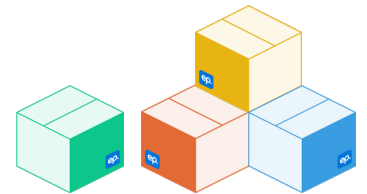
packages shipped per day

17

countries being shipped to

The world of single-carrier shipping is fleeting

Multi-carrier shipping is no longer an option, it's the option you need to take your shipping strategy to the next level. The more efficiently you can get your packages out the door and into the hands of your consumers, the more business you'll receive. Multi-carrier shipping, particularly through EasyPost, offers many fruitful benefits to save your business time and money.



easypost.

EasyPost's best-in-class shipping APIs provide end-to-end flexibility and more control over parcel shipping and logistics processes for e-commerce retailers, fulfillment centers, marketplaces, and enterprises. Founded in 2012, EasyPost has 200 employees and is based in Lehi, Utah.

For more information, visit [EasyPost.com](https://www.easypost.com) or email us at sales@easypost.com.