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EasyPost Ebook

7 Steps to Improving Your Peak Shipping Season

Setting expectations for 2022

Peak season typically runs from Thanksgiving through Christmas. But this year in 2022, there are a few particular factors you'll want to keep in mind when planning peak season.

Labor shortages

Many businesses are struggling to find workers, and this could impact your ability to ship during peak season. If you're having trouble finding enough workers to meet demand, you may need to make some changes to your logistics process. Start recruiting early to avoid encountering debilitating labor shortages.

Fuel prices

Fuel prices have rapidly increased in recent months. As carriers rely on fossil fuels, these prices can greatly impact shipping rates. Factor this into your budget and be sure that you're accurately listing shipping rates on your website. You may even want to consider working with multiple carriers to ensure you're getting the best rates.

Warehousing prices

Warehousing prices are also on the rise. If you're storing inventory in a warehouse, you'll need to budget for higher prices during peak season. After all, as demand for ecommerce increases, so does the demand for warehousing and other storage facilities. If you have brick and mortar locations, you can save on warehousing costs by implementing a ship-from-store strategy.

Supply chain crisis

Another factor is the current supply chain crisis. Consumer patterns have been unpredictable since the beginning of the COVID-19 pandemic. And with peak season just around the corner, it's difficult to know what to expect. Will people be buying more goods online? Will they start buying earlier than usual? How much stock do you need to meet demand? It's impossible to predict exactly how peak season will play out, but by being prepared for a few different scenarios, you can set your business up for success.

Low carrier capacity

Low carrier capacity will impact peak shipping season for ecommerce businesses in a number of ways. As peak season consumer demand continues to rise, shippers have to contend for a limited amount of carrier capacity. To keep up with demand, carriers will implement surcharges around peak season. This can also make it more challenging for carriers to meet delivery dates, so encourage your customers to buy early so their packages arrive in time for the holidays.

Inflation

One factor that has impacted practically every industry is inflation. Prices for materials and shipping services are on the rise and this will likely continue into peak season. This means you'll need to budget more for peak season than you did in previous years.

Checklist

- ☑ Review historical data

- ☑ Know your carrier's strengths and weaknesses

- ☑ Define your goals

- ☑ Determine a fulfillment strategy

- ☑ Stand out from the crowd

- ☑ Have a plan for returns

- ☑ Wrap up peak season

Preparing for peak season

For businesses, peak season can be a make-or-break time of year. Shipping disruptions and delays can lead to unhappy customers and lost sales. It's important to be prepared for peak season shipping. That's why we've put together this ebook with a checklist of steps you can take to improve your peak season shipping.

And EasyPost is here to help. EasyPost is a multi-carrier shipping API that gives businesses access to the most reliable carriers at the best prices. Users can compare rates, print labels, track packages, and much more with 99.99% uptime. We're here to help you achieve your best peak season yet.

Review historical data

As peak shipping season approaches, it's important to review historical data from previous years. This data can provide insight into shipping rates, transit times, forecasting, customer support needs, and returns–all vital elements for a successful peak season. In addition, by understanding what worked well in the past and what didn't, you can better prepare for peak seasons in the future.

Shipping rates

By understanding how shipping rates fluctuate during peak season, you can better manage your shipping budget and decide which carriers to use. The odds are that you'll encounter peak season surcharges around the holidays. These usually take place from October through December, although sometimes they can extend until mid-January. These will vary from carrier to carrier, but they typically take the form of a flat fee per package ranging from $0.10 to $6. For example, in 2021 USPS saw peak season shipping rates increase around 5.6% across their service levels.

Carriers impose them to offset the increased costs required to maintain their usual standards while operating at total capacity during peak season. Looking at how peak season impacts each of your carriers will help you iron out a more accurate budget and determine which carriers are the best fit for your business.

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5.6%

across their service levels

Forecasting

Reviewing inventory and order volume data from past peak seasons can help you build an accurate forecast and better prepare your inventory levels for the upcoming season. Pay close attention to inventory turnover rates to accurately forecast how much inventory you'll need on hand and avoid stockouts.

Additionally, consider any changes in customer behavior that may have occurred during previous peak seasons. For example, do you typically see an increase in demand for certain products? If so, make sure you have enough inventory on hand to meet demand.

Odds are that you'll encounter some form of increased demand during peak season–and the data speaks for itself. Trends show that ecommerce and retail demand has continued to increase year over year. According to Mastercard SpendingPulse, holiday retail sales (excluding automotives) that took place between November 2021 and December 2021

increased 8.5% year over year. Ecommerce sales have also trended in recent years, making up 20.9% of holiday retail sales. The holiday season also seems to be creeping up earlier and earlier each year, however Black Friday is still a key shopping day. In 2021 Thanksgiving weekend drove retail sales up 14.1% year over year. Use this information and continue to do research to see how you can leverage trends to make your forecasting more accurate each year.

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year over year

Customer support

The holidays are a busy time for everyone, including your customer support team. Reviewing past data can help you anticipate customer needs and plan accordingly. For example, do you typically see an increase in customer service inquiries during peak season? If so, plan to have additional staff on hand to handle the increased volume.

On top of that, take a look at the types of inquiries you receive. Are they shipping related? Product related? Returns related? By understanding the types of inquiries you're likely to receive, you can be better prepared to handle them.

Particularly during peak season, shoppers are concerned about their packages arriving in time for the holiday deadlines. Avoid clogged support lines by listing common questions like this in your website's FAQs. This will free up more bandwidth for your customer support team to answer more nuanced questions.

Returns

Returns are the reality of doing business, and they tend to increase during peak season. Past data may be a useful tool in predicting the amount of returns you'll encounter and help you set accurate expectations. Pay close attention to whether returns increase during peak season, if so, plan to have additional staff on hand to process them.

When you're analyzing this data, it may be helpful to take a deeper look at why customers are making returns. Are they returning items due to defects, sizing, or damage? By understanding the reasons for returns, you can take steps to reduce them in the future.

Returns don't always have to be negative either. We all know returns can be costly, but you can use them to turn losses into repeat visits. If you change your policy to offer store credit, consumers are more inclined to visit again, so the loss will not be as heavy as it would be if you simply kept the item and provided a full cash refund.

Carrier transit times

Historical data can also be helpful in understanding carrier transit times. This is especially important during peak season when carriers are under increased pressure to meet customer expectations. The impact of this pressure reaches beyond the carriers–transit times directly impact shipping costs, customer satisfaction, and order fulfillment.

By understanding how long it takes to deliver packages during peak season, you can better manage expectations and plan accordingly. In addition, while carrier transit times are out of your control, understanding how they fluctuate during peak season can help you better manage your shipping operation.

Know your carrier's strengths and weaknesses

Ecommerce businesses should be aware of the strengths and weaknesses of their shipping carriers, particularly during peak season. This is because carrier issues can make or break a business' success during this high-traffic time.

Knowing your carrier's capabilities and limitations will help you make the best shipping decisions for your business. For example, if you know that your carrier cannot handle large volumes of orders quickly, you can either plan accordingly or find another carrier that can meet your demand.

On the other hand, if you are unaware of your carrier's limitations, you may run into shipping problems during peak season that could have been easily avoided. This can cause major headaches for your business and may result in lost sales.

Bottom line: take the time to learn about your shipping carrier's strengths and weaknesses before peak season hits. This will help you make the best decisions for your business and avoid shipping disasters.

A multi-carrier approach

One way to mitigate shipping risks during peak season–and any other time of year–is to work with multiple shipping carriers. This gives businesses the flexibility to choose the carrier that best meets their needs at any given time.

For example, if one carrier is experiencing shipping delays, businesses can simply route their order through another carrier. Or, if shipping rates increase with one carrier, businesses can switch to another carrier that offers more competitive rates.

A multiple carrier also enables carriers to take advantage of the strengths of each carrier. For example, one carrier might have the best shipping rates while another has the fastest transit times. Businesses can get the best of both worlds by working with multiple carriers.

Even during peak season, ecommerce businesses should keep these factors in mind. Shipping rates may increase during this time, so it's essential to know how much your carrier charges. Transit times may also be affected by the increased volume of shipments, so businesses should plan accordingly. Additionally,

carriers may become less reliable during peak season, so it's important to work with carriers who you can trust to meet deadlines.

Each shipping carrier sets their own cut off dates during peak season. These deadlines are in place so businesses and their customers can be confident that their packages will arrive in time for the holidays. Being aware of these cutoffs can help plan when, and for how long, to run promotions so customers will receive their products before the holidays. Although carriers set their deadlines, it is best to plan your business's cut off a few days before your carriers to avoid mishaps that may result in disappointed customers

And since it's peak season, you should be aware of any extra carrier fees that may be required. Accessorial charges are common during peak season, so fuel surcharges, after hours delivery fees, storage fees, and other additional fees are to be expected during peak shipping season. Some carriers may be more fee-heavy than others, so be sure to factor this into your comparisons.

What to consider

Depending on the business, carrier needs will vary, but these are a few strengths and weaknesses businesses might consider when choosing shipping carriers:

- Shipping rate

- Transit times

- Reliability

- Tracking capabilities

- Sustainability

- Accessorial fees

- Cut off dates

Define your goals

Now that you've reviewed past peak seasons and spent some time thinking about your carriers, it's time to look to the future and define your peak season shipping goals. Do you want to reduce shipping costs? Cut down on transit times? Increase on-time delivery? Whatever you choose to focus on, it's important to get to the heart of the issue when you determine your plan of attack.

Goal setting

When setting your peak season shipping goals, think SMART. This acronym helps you outline realistic and attainable goals for peak season and beyond.

S – Specific

Make your peak season goals as specific as possible. Vague goals are difficult to measure and even more difficult to measure and even more difficult to achieve.

M – Measurable

In order to track your progress, your peak season goals need to be quantifiable. Determine how you will measure success and set specific targets to hit.

A – Achievable

While it's important to challenge yourself, don't set goals that are likely impossible to achieve. If your team isn't confident they can reach a goal, it's likely they won't even try.

R – Relevant

Your peak season goals should be relevant to your business and aligned with your overall shipping strategy. There's no point in setting a goal that doesn't support your bottom line.

T – Time-bound

Set a deadline for your peak season goals to keep yourself and your team accountable. Having a timeline will also help you measure progress and identify areas that need improvement.

Set a budget

It's no secret that peak season is a busy (and expensive) time for e-commerce businesses. In order to keep costs under control, it's important to set a peak season budget and track your spending closely. Doing so will help you avoid overspending and ensure that you have enough money to invest in other areas of your business.

To create a peak season budget, start reviewing your shipping costs from previous years. Next, look at the total amount you spent on shipping last peak season and break it down–this will give you a good idea of how much you can expect to spend this year. Once you have a baseline, you can set specific budget goals, whether to cover technology, carriers, labor or something else entirely.

Make a plan

Now that you've defined your peak season goals and set a budget, it's time to start putting together a plan. This is where you'll map out the specific steps you need to take to achieve your goals. Your peak season plan should include everything from marketing initiatives to fulfillment strategies.

Think about what needs to be done to reach your peak season goals, and then create a timeline for each task. Be sure to involve your entire team in the planning process, so everyone knows what needs to be done and when it needs to be accomplished.

Track your progress

Making your peak season plan is only half the battle. The other half is tracking your progress and making adjustments along the way. By regularly monitoring your shipping operation, you'll be able to identify areas of improvement and make changes as needed.

Start by setting up a system to track your peak season metrics. This could be as simple as creating a spreadsheet with all of your goals and key performance indicators. Once you have a way to track your progress, start monitoring your KPIs on a weekly basis. This will help you spot trends and make necessary SMART adjustments to your peak season plan.

Determine a fulfillment strategy

Don't wait until you're in the midst of peak season to determine your peak season fulfillment strategy–there are many elements to consider, and they are not overnight decisions. Whether you already do your fulfillment in house or you outsource to a third-party logistics company, peak season will impact your operations. Let's take a closer look at these strategies, so you can determine which option is right for your business.

In-house fulfillment

If you already have your own in-house fulfillment operation, you're in a good position to handle an increase in volume during peak season. But that doesn't mean there won't be challenges–you'll need to make sure you have enough staff on hand to meet demand, and your warehouse space will be under more pressure. You may even need to consider renting additional space. Still, there are many advantages to in-house fulfillment. It gives you more control over your inventory and operations. Businesses can more easily make changes on the fly and can ensure staff is properly trained to their liking.

Outsourcing to a 3PL

If businesses aren't prepared to house and fulfill part of or all of their inventory during peak season, it may be worthwhile to outsource operations to a 3PL. These companies provide a number of services, including warehousing, inventory management, order fulfillment, and shipping. On top of that, 3PLs have the resources to scale operations to meet the demands of peak season. That way you can focus on your core business while leaving fulfillment operations to the experts. However, there are also some disadvantages to using a 3PL. Outsourcing reduces the amount of control you have over your inventory and operations. Depending on the 3PL, it may also reduce some flexibility in terms of shipping and delivery.

Choosing a fulfillment strategy

There are many factors to consider when choosing a fulfillment strategy, including cost, expertise, control, customer service, and more. The right choice for your business will depend on your specific needs. We've broken down the pros and cons of each option, but now it's time to choose. Talk to your team and assess your needs to determine which fulfillment strategy is right for your company.

Stand out from the crowd

When it comes to ecommerce, it's all about standing out from the crowd. In today's day and age, customers have more choices than ever before, and they're looking for businesses that can offer them the best possible experience. This is especially true in the shipping and logistics industry, where much can rely on the success of peak season.

Give customers options

Customers today want options. They want to be able to choose how they interact with your business, and they want to be able to customize their experience. This is especially true when it comes to shipping and logistics. Customers want to be able to choose their shipping method, delivery date, and even the day their package will be delivered.

An important element of this is parcel insurance. This will protect them in case their package is lost or damaged in transit. It's also a good way to build trust with your customers, as they will know you're looking out for their best interests.

The more options you can give your customers, the better. Not only will this make them happy, but the flexibility will stand out and encourage shoppers to buy again from you in the future.

Finding the best options

EasyPost's SmartRate API is the perfect solution for businesses that want to offer their customers the best possible shipping experience. With SmartRate, you can find the best shipping options for your business with 98% accuracy. This means that you can offer your customers the most competitive rates and the best delivery times. Even better, it only takes 15 minutes to get integrated and start saving up to 70% on optimized shipments.

58.6%

of retailers are making investments in omnichannel fulfillment

Communication is key

In today's fast-paced world, customers expect businesses to be able to communicate quickly and efficiently. This is especially true in the shipping and logistics industry, where delays can cause major problems. Going above and beyond with communication will help a business stand out from the crowd.

That's why it's so important to ensure you have a good communication strategy. You should be able to quickly answer customer questions and be proactive about keeping them updated on the status of their shipments.Many consumers expect this information to be conveyed over email. But text messaging is becoming a more popular option.

Honesty is the best policy

It's important to be honest with your customers, even if it means telling them something they don't want to hear. This is especially true in the shipping and logistics industry, where delays and lost packages are all too common.

Of course, honesty is only part of the equation. You also need to make sure you're providing excellent customer service. This means promptly responding to questions and smoothly managing returns to ensure the customer experience is as positive as possible.

Have a plan for returns

As peak shipping season approaches, it's important to have a plan for managing ecommerce returns. Returns can be a headache for any business, but they can become an absolute nightmare during peak season.That's why it's so valuable to prepare in advance and have a solid strategy for dealing with peak season returns.

Minimizing returns

The best way to deal with returns is to try to avoid them in the first place. There are a few steps you can take to minimize the number of returns your business receives.

Start by making sure your product descriptions are accurate and informative. Be sure to use high-quality photos that accurately represent the product so customers know what to expect. Another element is using size charts when selling clothing or other items that require sizing. By following these steps and setting clear expectations for your customers, you can reduce the number of returns you receive during peak season.

Preparing for returns

As much as you prepare, returns are inevitable. There are a few things you can do to prepare for them. First, make sure you have a good policy in place for returns. Your return policy should be clear, concise, and easy to understand. It should also be prominently displayed on your website, making it easy for customers to find.

Second, create a process for handling returns that is quick and efficient. This process should be designed to minimize inconveniences for both you and your customers. After all, the last thing you want is a backlog of returns that takes weeks to process.

Finally, make sure you have enough staff on hand to handle the increased volume of returns. Peak season is hectic, and you don't want your customers to have to wait on hold for extended periods.

Learning from returns

Ecommerce businesses have a lot to gain by learning from their returns. By understanding what causes customers to return items, companies can make changes to their products, website, or customer service to reduce the number of returns they receive. Additionally, by analyzing returned items, businesses can identify trends and better understand what their customers want.

While peak season returns can be a hassle, they also present an opportunity for businesses to learn and improve. By taking the time to understand why customers are returning items, ecommerce businesses can make changes that will lead to fewer returns in the future.

Wrapping up peak season

Just as businesses prepare for peak shipping season, they must also prepare for the post-holiday slowdown. After peak season, shipping volume will decrease, and shipping prices will return to normal levels. But the excitement doesn't stop there. So now it's time to analyze your peak season performance and prepare for next year's seasonal surge.

Measuring success

When peak season comes to a close, it's time to take a closer look at your shipping operation to see how it performed. This data will help plan next year's peak season. Here are some things to look at:

Shipping volume

How many orders did you ship during peak season? This number will help you plan for next year's peak season and ensure you have enough shipping capacity. If you overestimated, you might be able to save money by reducing your shipping volume. Conversely, if you underestimated, you'll need to start planning to expand your shipping capacity.

Transit times

How long did it take for orders to be delivered during peak season? This number will help you set realistic expectations for customers next peak season and ensure your shipping operation is efficient; if you are satisfied, great! If not, it's time to start planning to improve your carrier transit times for next year.

Technological reliability

It's also important to take a look at your technology. Did your website and shipping software perform reliably during peak season? If not, now is the time to start shopping around for alternatives. Peak season is not the time to make technical changes to your logistics operations, so it's important to get a jump on this early in the year.

Shipping rates

How much did you spend on shipping during peak season? Did that number fall within your budget? If not, you'll need to adjust your budget next year or start searching for carriers offering more competitive rates.

Let's get shipping

By preparing for peak season sooner rather than later, your business can avoid the shipping nightmares that can occur during peak season. Being proactive and making changes to your shipping operation ahead of time ensures a smooth peak season experience for your business and your customers.

EasyPost can help your business manage peak season shipping and achieve a smoother season than ever before. With our suite of shipping APIs, you can automate your shipping process and save time. Our technology is the fastest, most flexible, and most reliable in the industry, so you can be confident that you'll be prepared for next year's peak season and beyond.

EasyPost's API uptime

99.99%

the most reliable in the industry

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** or email us at **sales@easypost.com**.