

Media alert: Why businesses need to prepare for the Christmas parcel rush now

Consumers expect quick delivery times when it comes to online shopping, and regularly pay extra for express shipping to ensure they receive purchases when they need them. However, knock-on impacts of the COVID-19 pandemic have slowed down parcel shipping in Australia. Where previously a 48-hour delivery time was considered slow, five to seven days has become the new normal, and people have been forced to adjust.

Organisations that need to send parcels or packages are expected to face even more challenges coming into the Christmas period, with massive volumes of deliveries expected across the country. Most carriers, including Australia Post, have already announced their cut-off dates for holiday deliveries and they're much earlier than people might expect.

There are ways organisations can ensure they aren't caught out during this peak shipping time, according to Pitney Bowes.

Ben Seal, head of shipping, Australia and New Zealand, Pitney Bowes, said, "Carriers have essentially been operating at typical Christmas levels since the COVID-19 restrictions started earlier this year. It's likely that it will get worse, not better, for deliveries coming into Christmas."

According to the latest Pitney Bowes Parcel Shipping Index, Australians shipped 934 million parcels in 2019, an increase of 8 per cent year over year (YoY) with an average of 37 parcels shipped per person. Furthermore, e-commerce retail sales grew by 4 per cent YoY to reach USD 15.7 billion in 2019, making Australia the 10th largest ecommerce market worldwide¹. And, shipping volumes and revenue will continue to grow in Australia, particularly given the current pandemic environment we're living in.

Ben Seal said, "Engaging multiple carriers for deliveries will be critical for businesses this Christmas, as they work to fulfill customer orders and manage their expectations. Working with more than just one carrier will help minimise challenges in delivering to some destinations and ensure the best opportunity for parcels to arrive as close to on-time as possible without depending on one carrier."

Online retailers should also make sure they have full visibility of their inventory and know where new stock comes from as that might cause further delays. While the pandemic seems under control in Australia at the moment, much of the rest of the world is still on high alert and the global supply chain is under pressure as a result. If organisations rely on products to come from overseas, it might not be as easy to restock, especially as we get closer to the holiday season.

Ben Seal said, "Being open and transparent will improve the customer experience as well as reporting on stock availability. Customers may be accepting of pandemic-related delays in the current environment, though they might be less accepting if shipping delays are downplayed or companies over-promise and under-deliver on delivery time. Being upfront about any delivery challenges will help to ensure a great customer experience and brand loyalty beyond the Christmas season."

¹ Emarketer Report on Retail Ecommerce