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## FedEx Ground announces seven-day residential delivery year-round

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FedEx Corp. is announcing a transformation that builds upon the largest global commerce transportation network in the world to further serve the fast-growing e-commerce market.

FedEx Ground delivers seven days per week during the holiday peak season, and beginning in January 2020, this service will continue year-round for the majority of the U.S. population. The company is also rapidly integrating FedEx SmartPost package volume into FedEx Ground standard operations and increasing large package capabilities.

### **Increasing utilization** of existing assets

“We have made significant investments in capacity, technology and automation at FedEx Ground over the past 20 years. These investments have allowed us to gain ground market share for 19 of the last 20 years, and we are now ideally positioned to extend that growth as the average daily volume for small parcels in the U.S. is expected to double by 2026,” said Raj Subramaniam, president and chief operating officer, FedEx Corp. “Expanding our operations to include Sunday residential deliveries further increases our ability to meet the demands of e-commerce shippers and online shoppers.”

### **Enhancing delivery density**

In addition to delivering every day of the week, FedEx Ground is making changes to enhance its efficiency in last-mile deliveries. Nearly two million FedEx SmartPost packages that were previously given to the U.S. Postal Service for delivery to homes every day will be increasingly integrated into FedEx Ground operations and delivered by the same service providers currently handling FedEx Ground residential packages.

“Delivery density has consistently been a challenge with e-commerce,” Subramaniam said. “We anticipate substantial density improvement and efficiency opportunities when all residential packages are sorted and delivered within the same ground network.”

Since 2016, state-of-the-art technology has enabled the movement of a FedEx SmartPost package into the FedEx Ground network when another package is destined to the same or nearby address. This has resulted in the integration of approximately 20 percent of FedEx SmartPost packages to date. Starting this fall, the integration of these packages will be significantly accelerated, and the vast majority of FedEx SmartPost package volume is expected to be integrated into FedEx Ground operations for final delivery by the end of 2020.

### **Improving capabilities for large items**

Online shopping has quickly evolved to include oversized and heavy items such as TVs, furniture, rugs, mattresses and auto parts. These large packages now comprise more than 10 percent of FedEx Ground's volume, and the growth is expected to continue. The company is making significant operational changes to ensure safe and reliable handling of these large items. These changes include designing new facilities, adding equipment to existing facilities and making other operational adjustments.

"These transformational steps demonstrate how the size, scope and technology of the FedEx network enable us to be nimble and responsive to the changing needs of e-commerce," Subramaniam said. "Each one advances the company's commitment to continued superior service and increased efficiency in handling all e-commerce packages – small and large – within one ground network, seven days a week, year-round."

Certain statements in this press release may be considered forward-looking statements, such as statements relating to management's views with respect to future events and financial performance. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from historical experience or from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, the rate of future global e-commerce growth and our ability to successfully compete in the e-commerce market, our ability to successfully implement operational changes in the expected time frame, our ability to match capacity to shifting volume levels, and other factors which can be found in FedEx Corp.'s and its subsidiaries' press releases and FedEx Corp.'s filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it is made. We do not undertake or assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.