

It's down to the wire for online shopping

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In this Dec. 15, 2014 file photo, courier Michael Price loads packages onto a truck for delivery at a FedEx facility in Marietta, Ga. FedEx, UPS and e-commerce retailers are trying to avoid the problems that occurred last year when severe winter weather and a surge in late orders caused delivery delays. (AP Photo/David Goldman, File)

As the holiday shopping season winds down, FedEx, UPS and online retailers are using the last few days to try to avoid the problems that occurred last year when severe winter weather and a surge in late orders from shoppers caused delivery delays.

UPS spent \$500 million this year upgrading its systems and processes and increased the number of seasonal workers it hired 11 percent to 90,000 to 95,000. The company, which pegged Monday as its busiest day of the year, expects to deliver more than 34 million packages on its busiest day ever.

By midday Monday, UPS spokesman Andy McGowan said he expected packages to be delivered as planned. "All UPS air and ground operations are operating smoothly, he said.

FedEx predicted its busiest day would be a week earlier, on Dec. 15, when it expected to move 22.6 million packages. It added 50,000 seasonal workers to help with demand this year and invested in a new software system called Radar for FedEx Express that helps supervisors anticipate fluctuations in package arrivals hours before an airplane carrying cargo lands.

"The fallout from last year was a lot of disappointed customers. They don't care about the weather if they don't get their package on time," said Jeff Wise, managing director of Southeast district operations in Atlanta. "But we've had 11-and-a-half months to figure it out and make sure service levels stay high this year."

FedEx hasn't released specific figures, but company spokeswoman Katie Wassmer said Monday that FedEx has already had several days with surges in demand that have been "among the busiest in company history," with no significant problems so far.



In this Dec. 15, 2014 file photo, packages are sorted on a conveyer belt before being loaded onto trucks for delivery at a FedEx facility in Marietta, Ga. FedEx, UPS and e-commerce retailers are trying to avoid the problems that occurred last year when severe winter weather and a surge in late orders caused delivery delays. (AP Photo/David Goldman, File)

Package carriers also say they have been working closely with e-commerce retailers to help avoid problems. "We are working with the biggest e-commerce shippers in an ongoing collaboration to understand capacity limitations and their needs," said Sean Healy, VP of Global Planning and Engineering for FedEx Express. "We're much more effective in planning with our e-commerce customers than we've ever been."

That's key because retailers have been pushing shipping deadlines later and later and extending free shipping offers. This year, Amazon extended its free-shipping deadline by one day to Dec. 19. Wal-Mart,

Barnes & Noble and other retailers also said Dec. 19 was the cutoff to getting orders delivered by Christmas.

Still, retailers don't want to overpromise on shipping offers. They can't afford a repeat of last year when UPS and FedEx failed to deliver some packages by Christmas due to a combination of poor weather and overloaded systems, causing angry customers. Neither of the top two deliverers said how many packages were delayed, but noted it was a small share of overall holiday shipments.

So far, improvements seem to be working according to tracking-software firm ShipMatrix Inc., which said that during the week ended Dec. 13, FedEx deliveries were on time 96 percent of the time, up from 90 percent last year. UPS deliveries were on time 95 percent, compared to 92 percent last year.

Package carriers hope everyone has an experience like Lori Twiss, 51, an executive assistant at Deloitte who lives in Atlanta. She shops online a lot at Nordstrom, Target and Walmart and has had no problems so far.

"Everything has been on time and speedy and free shipping," she said. "I love free shipping."

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