

FedEx, UPS confront record holiday season

By Heather Somerville, San Jose Mercury News

The next week will be a 24/7, backbreaking, sleep-deprived haul for couriers such as FedEx, the United Parcel Service and the U.S. Postal Service, the last connections to deliver many much-anticipated Christmas gifts. And there is no room for mistakes.

Last year's fiasco – when retailers over-promised on deliveries and bad weather snarled courier services, causing millions of gifts to arrive long after Santa's visit – is still a painful memory, and everyone is working hard to avoid repeating the same mistakes.

With e-commerce sales up 8 to 11 percent this holiday season, delivery services face record-high volumes of packages that must get from warehouses to beneath Christmas trees before next Thursday. And with more retailers promising Christmas delivery to last-minute shoppers – and some ill-prepared to make good on those promises – holiday shipping has become a massive and challenging undertaking. For everything to go smoothly, analysts say, retailers must accurately forecast how much inventory they will sell and when, and courier services must run their planes and trucks like clockwork.

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