

With the UPS Strike Looming, Top Three Reasons Why Brands Should Diversify Carriers

BERKELEY, CA, UNITED STATES, July 12, 2023 /EINPresswire.com/ -- Raj

Ramanan, CEO of [AxleHire](#), an expedited, urban last-mile delivery provider, discusses the pitfalls of having a single carrier, especially given the looming UPS Strike and the clock ticking down on labor negotiations.

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AxleHire CEO Raj Ramanan

“Shippers are becoming more anxious each day about the potential chaos a UPS strike would bring,” said AxleHire CEO Raj Ramanan. “UPS ships millions of packages each day. There's no way to replace that capacity overnight, even with all the available shipping options, onboarding a new legacy carrier can take months if not longer.”

Given the current situation at UPS, there has never been a better time for brands to consider the value of a multi-carrier shipping strategy with a diversified delivery carrier mix.

Top Reasons Brands Should Diversify Their Delivery Carrier Mix

1. Risk Mitigation

A [recent survey](#) by Shippo found that 30% of e-commerce shippers use a single carrier for delivery. If that carrier is UPS and the Teamsters do strike, that single carrier becomes a single point of failure. “Beyond the current situation with UPS, working with multiple carriers provides a safety valve for interruptions in service, potential extra capacity for seasonal spikes in demand, and a healthy competition between carriers to keep costs low and service levels high,” said Ramanan.

2. Cost

“UPS, FedEx, USPS, and other asset-heavy traditional carriers have a huge fixed-cost base — real estate, fleets of vehicles, a large permanent labor force — and those costs are baked into the rising rates and surcharges ecommerce brands are paying for their services,” said Ramanan. A settlement at UPS will almost certainly mean even higher costs for shippers.

“Asset-light last-mile carriers with crowdsourced staffing models don’t have the same ‘baked in’ costs as the national carriers,” said Ramanan. “A multi-carrier strategy in large, urban metro areas, where high-delivery density and a ready-made driver supply allow carriers to rapidly scale up or down based on demand, creates a competitive advantage. Targeted use of urban last-mile carriers can help shippers better manage spiraling costs and promote more efficient and sustainable deliveries.”

3. Delivery Performance

Deloitte recently [recommended](#) carrier diversification as a way to “support growth and delivery performance.”

Urban last-mile carriers can often provide next-day delivery at rates that are comparable to national carrier ground (3-5 day) rates. “By partnering with last-mile carriers in key markets, retailers can again gain competitive advantage by getting orders to their customers faster and with higher on-time delivery rates,” said Ramanan.

AxleHire logo



The disruption in delivery services that would result from a Teamsters strike at UPS has brought new focus to the idea of ecommerce retailers diversifying their carrier strategies. But diversification is about more than finding a temporary capacity solution during a UPS work stoppage, it gives brands the opportunity to scale their shipping strategy while minimizing shipping costs. “Given the potential benefits in cost, risk management, and delivery performance available from urban last-mile carriers, there has never been a better time for brands to consider diversifying their carrier mix,” said Ramanan.

Learn more in our latest blog post.

About AxleHire

AxleHire is an expedited, urban last-mile delivery service that helps brands meet and exceed customer expectations by providing a superior same- and next-day delivery experience. AxleHire leverages purpose-built technology and a gig driver fleet to drive transformative outcomes that catalyze customers’ brand growth. Logistics teams can now provide a differentiated delivery experience at a competitive cost, overcoming the limitations of legacy delivery providers. AxleHire operates in urban areas across the U.S., enabling high-volume shippers to consistently cater to the rising needs and expectations of their customers. For more information, please visit

axlehire.com.

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