Package Market & Complexity of eCommerce

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WHERE WE'RE GOING

Five things happened at once

1	**The leaderboard flipped**	The Big 3 are no longer the whole story
2	**Growing — and fragmenting**	Volume is growing, but share is shifting
3	**The Big 3 are getting more selective**	Networks are being rebuilt around the parcels they want
4	**Everybody repriced**	Carriers are choosing which parcels they want
5	**Complexity is compounding**	The price of a package is now a calculation

What you could safely assume

Shippers are making decisions on assumptions that changed.

That is why the market feels harder to navigate.

UNTIL RECENTLY

USPS = lightweight default

UPS/FedEx = market leaders

Regionals = niche

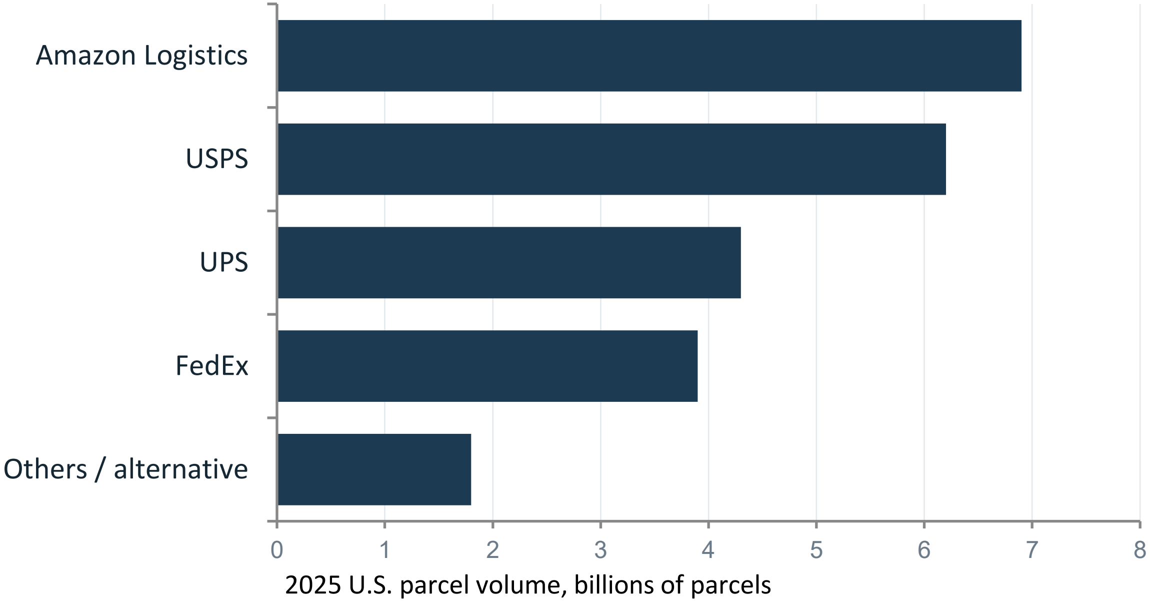
Rate change = base rate

Carrier choice = procurement

Not one is reliable today.

1 THE LEADERBOARD FLIPPED

Amazon Logistics is the largest U.S. parcel carrier



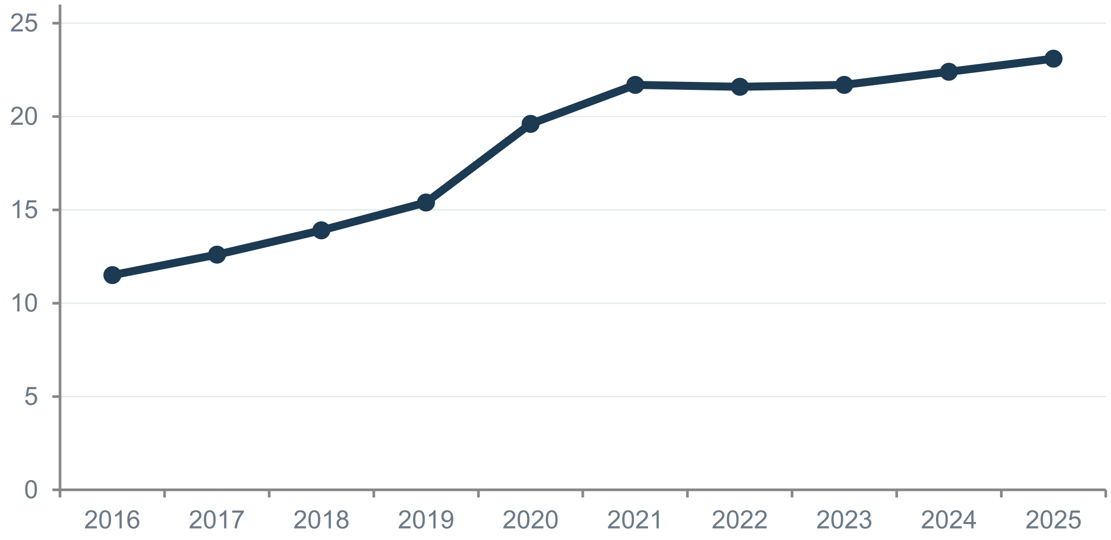
YEAR OVER YEAR

Amazon	+9.5%
USPS	−8.8%
UPS	−8.7%
FedEx	+5.1%
Others	+127%

Source: Pitney Bowes U.S. Parcel Shipping Index, 2026 report

2 GROWING — AND FRAGMENTING

The tide stopped lifting boats



+27.1%

volume growth, 2020

+3.3%

volume growth, 2025

23.1bn parcels in 2025 — projected 31bn by 2031

Source: Pitney Bowes U.S. Parcel Shipping Index, 2026 report

2 GROWING — AND FRAGMENTING

Who is “Others, +127%”?

REGIONAL CARRIERS

OnTrac · GLS · Spee-Dee · Better Trucks

- Trucks, terminals, ground assets
- Dense metro lanes, B2B-capable
- Domestic ownership

GIG LAST-MILE NETWORKS

UniUni · Gofo · SpeedX · Jitsu

- Gig drivers, app platforms
- Shein / Temu / TikTok Shop volume
- High growth, different risk profile

The fastest-growing segment also carries the most unanswered questions.

3 THE BIG 3 ARE GETTING MORE SELECTIVE

Networks are being rebuilt around preferred volume

UPS

93

buildings closed in nine months of 2025

FedEx

475+

stations closing by end of 2027

USPS

DFA

processing consolidation underway

All three are reshaping their networks at once — none of them is failing. That simultaneity is the noise you feel.

4 EVERYBODY REPRICED

Carriers are choosing which parcels they want

$9.34

Revenue per parcel, 2025 — up 2.9%

6.2% vs 3.3%

Revenue growth outpaced volume growth

The old playbook was volume-at-all-costs. The new playbook is revenue quality.

Source: Pitney Bowes U.S. Parcel Shipping Index, 2026 report

4 EVERYBODY REPRICED

It isn't just the rate. It's the ruler.

Dimensional divisor: 166 → 139

USPS aligning to the divisor UPS and FedEx already use.

Dimensions round up

Fractional inches round up to the next whole inch.

Published Ground Advantage Commercial ounce tiers flattened

The 4-, 8-, 12- , and 15.999-ounce prices are now the same within each zone..

WHAT DIDN'T CHANGE

- GA retail prices remained unchanged
- Negotiated commercial rates unaffected
- Base rates did not move on July 12

USPS adopts the 139 divisor widely used by UPS and FedEx for commercial shipments.

5 COMPLEXITY IS COMPOUNDING

The price of a package is a decision tree

ONE PARCEL. MULTIPLE PRICING TESTS.

1. Weight + dimensions → 2. Residential or commercial? → 3. Delivery-area ZIP? → 4. Handling trigger? → 5. Fuel, peak, and other accessorials → 6. Final price

The rate sheet no longer tells you the price. The parcel attributes do.

The announced rate is an input. The parcel determines the bill.

5 COMPLEXITY IS COMPOUNDING

And it doesn’t hold still

11 fuel surcharge increases in 30 months (it used to change once a year)

12+ mid-cycle rate changes introduced by UPS and FedEx during 2025

MORE ATTRIBUTES NOW AFFECT THE BILL

Then: length + girth

Now: + cubic volume · actual weight · ZIP list · residential · declared value

Most of the cost is shaped before the label. Some of it is not known until the invoice.

5 COMPLEXITY IS COMPOUNDING

Where the cost is actually decided

The package moves in hours. The cost was set before it shipped.

THE PROMISE
Speed and free shipping, chosen at checkout

THE CARTON
Dimensions, set before anything ships

THE TENDER
Which carrier, on which rate basis

THE LABEL
Where most shippers start looking

THE INVOICE
Where the surcharges finally appear

MOST OF THE COST IS SET HERE

THIS IS WHERE YOU SEE IT

By the time you're rate-shopping, most of the cost is already set.

Which makes your data a billing input. Are we good at that data?

WHERE WE'VE BEEN

The parcel market is harder to manage

Five changes are reshaping how shippers choose carriers and control cost.

1 The leaderboard flipped

Amazon leads in volume; revenue leadership remains split.

2 Growing — and fragmenting

Volume is growing, but share is shifting across more carriers.

3 The Big 3 are getting more selective

UPS, FedEx, and USPS rebuild around the volume they want.

4 Everybody repriced

Dimensions, surcharges, and parcel attributes now set the bill.

5 Complexity is compounding

More inputs, more triggers, and more update cycles than two years ago.

Market structure changed → carrier strategy changed → pricing changed → complexity continues

Technology, including AI, will help manage the complexity — **it will not make the market simpler.**

The parcel market changed more in eighteen months than in the previous ten years.

And it isn't holding still.

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