From Speed to Optionality: Winning Strategies for Shippers in Peak Season

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Introduction

Fast delivery isn't the differentiator it once was. Where two-day shipping once gave brands an edge, today it's the baseline for doing business. Customers still expect speedy deliveries, but they also want choices that fit their budget, schedule and context. With speed now table stakes for shippers, optionality has become the new battleground.

In the transportation environment, optionality means giving customers a range of delivery speeds and experiences that extend beyond just "fast" or "standard." It's about tailoring service to what each order needs, whether that's next-day delivery, a budget-friendly option that takes a little longer or pickup at a secure location.

The stakes are even higher during peak season. Volumes spike, margins tighten and customers expect flawless execution. A recent survey of more than 150 retail supply chain leaders conducted by Veho and Supply Chain Dive's studioID found that 70% already offer next-day delivery and 79% offer 1-2 day options.

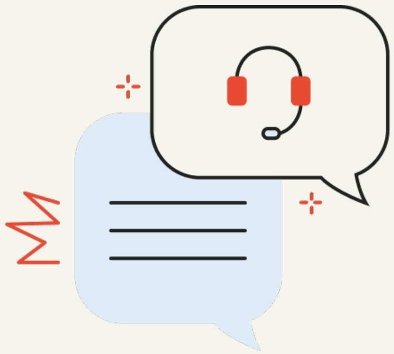
While companies are prioritizing fast delivery, they may be trading quality and consumer flexibility for sheer speed, as indicated by the 27% of fast deliveries that generate negative feedback around issues like delays, damage and poor communication. That gap shows where the true advantage lies: Companies that build delivery choice and back it up with reliable execution will be the ones that win during peak season and beyond.

That shift in expectations has been years in the making. Drey Hilton, senior manager, strategy and competitive intelligence at Veho, says five years ago, the focus was simple: Get it to the customer as quickly as possible. It didn't matter how, as long as it arrived at the customer's doorstep quickly. "Today, it's about making sure the product arrives when customers truly need it and at a cost they can accept," he says.

Shipping partners play a pivotal role in making optionality work at scale. By combining diversified carrier networks with strong digital tools, they give companies the ability to shift volume quickly, balance costs against service expectations and maintain visibility across the entire last mile of the supply chain.

So how can companies put optionality into practice while still meeting the demand for speed and protecting the customer experience? The findings in Veho's new report pinpoint the areas where last-mile performance often breaks down and highlight practical ways to close those gaps. Companies that look beyond speed, diversify their carrier mix and utilize technology that can best manage costs and protect their brands while delivering the experience customers expect.

Universal Agreement, Major Execution Gaps



The survey data shows that nearly every company views fast, high-quality delivery as a driver of conversion and loyalty. Many claim to track the full cost of shipping, yet still zero in on narrow key performance indicators (KPIs) like cost per delivery or on-time rates. Most organizations overlook the real drivers of value, such as restitution costs, customer support tied to shipping issues, and the revenue boost that comes when companies deliver on their promises and build relationships that keep consumers coming back.

Which key performance indicators (KPIs) does your company find most useful when making key business decisions about fast delivery?*

36%	**Cost per delivery**
34%	**On-time delivery (OTD) rates**
34%	**Delivery-related customer satisfaction scores**
27%	**First-attempt success rates**
26%	**Overall delivery success rate**
25%	**Average delivery time**
25%	**Return rates**
24%	**Damage rates**
19%	**Volume of delivery-related customer complaints**
16%	**Missing/lost packages**

*Respondents selected up to three answers.

When asked which KPIs guide decisions on fast delivery, more than a third of respondents pointed to a narrow set of measures. Cost per delivery (36%), on-time delivery (36%) and delivery satisfaction scores (34%) led the list. Those KPIs tell part of the story but leave out the hidden costs that pile up when shipments fall short. For example, few companies track broader impacts: just 19% measure delivery-related customer complaints and just 25% monitor return rates.

Left unchecked, these oversights can drive up support costs and logistics costs associated with refulfillment of orders, ultimately reducing customer value. They can also give companies a false sense of confidence and leave weaknesses exposed when busy peak season hits. Hilton sees the same disconnect playing out every day. For example, many companies stop their analysis at the gross margin line without considering what delivery failures cost downstream.

Taking a narrow view masks the ripple effects of shipping failures: Billing teams spend more time on refunds, IT has more systems to patch and customer service teams handle more call volume from frustrated customers. “Companies think they’re saving money when in reality they’ve just shifted expenses somewhere else,” says Hilton.

The survey results also echo what Garrick Pohl, vice president of new initiatives at Veho, hears in the market. When they don’t factor in repurchase rates, average order value or lifetime value, companies risk undervaluing the upside of a reliable last-mile experience. “Most shippers still look at on-time rates and unit cost as their main measures,” he says. “However, those don’t capture what happens when a customer has a bad experience and leaves for good.”

> “When you lower your delivery expense, you often see customer service and IT costs go up. If you don't connect those dots, you miss the true cost of delivery.”

Drey Hilton
Senior Manager
Strategy & Competitive Intelligence, Veho

Optionality is the New Competitive Advantage

Optionality means providing customers with delivery choices that fit the order, not just a choice between faster and slower.

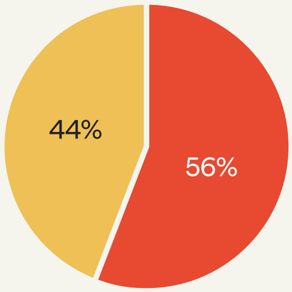
"Too many brands still don't prioritize delivery in the customer experience," says Nate Skiver, founder of LPF Spend Management. "Customers expect more delivery options, options that are reliable, relatively fast, and low cost or free. Brands have to develop a specific delivery strategy to meet their customers' expectations, which should include a precise estimated delivery date and clearly stated delivery options."

All surveyed executives say they agree that broader shipping offerings set a business apart from competitors, with over half (56%) saying they strongly agree. By tailoring options, companies can balance peak season pressure with customer needs and avoid one-size-fits-all promises that strain networks.

How much do you agree or disagree with the following statement: Faster shipping options will positively influence customer conversion rates.

56% **Strongly agree**

44% **Somewhat agree**



"Brands should create a delivery strategy with their customers in mind, and work back from there to put the right resources in place to execute that strategy. There are plenty of options to choose from, whether it's exploring delivery providers or finding the technology solutions to enable delivery capabilities. Resources are available for brands to offer a range of delivery options that resonate with customers," says Skiver.

Our survey data shows that currently, the delivery offerings provided by most retailers are fairly narrow. Next-day and two-day delivery are standard, but only a third (33%) of companies offer same-day, and fewer (32%) provide one-to-five-day windows and fewer still (19%) offer one-to-seven-day windows. Additionally, only 28% of respondent companies let customers choose a delivery window. Even though 82% of executives say resilience and flexibility are extremely or very important for parcel delivery success, the heavier focus on next-day and two-day deliveries suggests that retailers may be placing too much emphasis on speed. This creates a disconnect between what retailers offer and the optionality that customers are requesting.

The shortfall shows up in results: 27% of fast deliveries generate negative feedback. Executives also lack capabilities like AI-powered routing, micro-fulfillment, wider local warehousing and weekend coverage, all of which could expand delivery options, ease peak season strain and give customers more control.

Which of the following technology-driven capabilities does your company have for parcel delivery?*

45%
Real-time order tracking/visibility for consumers

43%
Ability for customers to modify delivery instructions and make address corrections

40%
Artificial intelligence (AI) for dynamic route adjustments

40%
Optimized routing

39%
Shipper portal (provided by carrier) with real-time analytics

38%
Integrated customer support across mobile, web and SMS

37%
Ongoing performance monitoring

35%
Automated dispatching

28%
Ability for customers to pick delivery windows

27%
Customers can communicate package delivery location preferences via geolocation/photo

25%
Merchant/vendor traceability

23%
Multi-factor delivery success criteria

21%
Predictive ETAs

*Respondents selected all answers that apply.

Treating choice as only a speed issue misses the point. In the end, customers decide if the delivery choices were good enough or not. For best results, Pohl says companies should view optionality as the next stage of delivery.

> "Brands should create a delivery strategy with their customers in mind, and work back from there to put the right resources in place to execute that strategy."

Nate Skiver
Founder
LPF Spend Management

The High Cost of Delivery Failures

Missed, late or damaged deliveries carry costs that go far beyond the package itself. Each failure multiplies across the business, driving up call center volume, hurting repeat purchases and chipping away at brand reputation. News of a single bad delivery experience can spread quickly online, turning one mistake into a viral problem. Yet many companies still evaluate carriers on price alone, overlooking the true cost of ownership and the long-term damage associated with poor performance.

Hilton warns that even minor delivery failures can result in significant damage. "A single bad experience can start a domino effect," he says. "If your top products account for most of your revenue, a handful of poor reviews tied to delivery can drag down ratings and sales across the board."

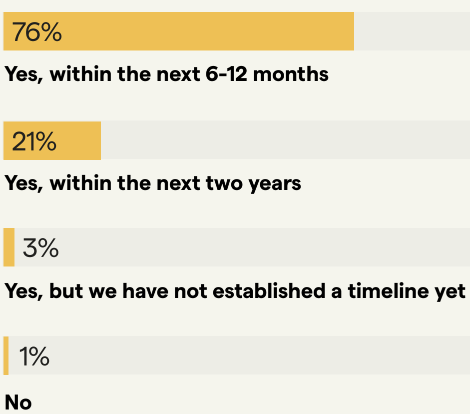
This is yet another reason why companies need to consider the total cost of ownership (TCO), not just the shipping price. Veho often thinks of this impact in terms of ROI, referring to it as "Return on Shipping."

"The job doesn't end at the point of sale; it ends at the customer's door," says Hilton. "If you don't account for every cost tied to that door experience, someone else will."

Tech Priorities That Power Delivery

Companies recognize technology as central to meeting customer expectations in the last mile. The vast majority (99%) plan to invest in new delivery technologies or services at some point in the future, with 76% planning to do so within the next 12 months. Clearly, the focus has shifted from treating tech as a mere cost center as businesses further understand the role it plays in the customer experience.

Is your company currently exploring or investing in new technologies or services to further enhance your delivery experience?



*Percentages rounded to the nearest whole number.

The top priorities highlight where shippers see the most value. Real-time shipment tracking leads the list at 51% of companies, followed closely by AI-powered exception management at 47%. Predictive analytics for demand forecasting (39%) and visual proof of delivery tools (39%) round out the most common choices. Combined, these capabilities give customers confidence that their orders will arrive as promised, while providing companies with the tools to act quickly when problems arise.

Pohl says the real opportunity lies in using these tech tools to reshape the customer experience.

> "Customers only believe a delivery promise if it's backed by visibility and accuracy. AI and tracking let shippers spot problems early and fix them before they reach the customer. That's how optionality actually works in practice."

Garrick Pohl
Vice President
New Initiatives, Veho

The good news is that companies don't have to build all of this delivery technology on their own or hire in-house IT teams to support it.

Industry research over the past few years has increasingly showed shippers outsourcing to access technology, and our survey identified a continuation of this trend. Most organizations can mobilize, move faster and scale more easily by working with partners like Veho, which already have the tools in place. Strategic partnerships with tech-enabled carriers can deliver these capabilities faster and at lower cost, giving shippers the perfect blend of speed, economy and visibility — all without reinventing the wheel.

Hilton says the key is finding partners who can deliver both flexibility and a seamless digital interface. "Shippers need fast options for some products and more economical options for others, but that only works if the technology behind it ties everything together efficiently," he explains. "Companies that move quickly on these partnerships will set themselves apart, while those that delay the decision risk falling behind as customer expectations keep climbing."

Carrier Diversification = Resilient, Flexible Supply Chains

Set-and-forget freight strategies don't work in dynamic business environments, and they definitely don't work when trying to handle volatile peak season conditions. The survey found that one in three companies (33%) say their fast-delivery performance is held back by delivery partners. Implementation costs, weak inventory visibility and routing challenges also weigh heavily, but partner constraints stand out as a recurring obstacle.

What are your company's top barriers to providing a best-in-class experience for fast delivery?*

39%	**Implementation costs for faster delivery are too high**
34%	**Poor inventory visibility**
33%	**Delivery partners can't handle fast delivery**
27%	**Forecasting can't keep up with fast delivery**
27%	**Stores not set up for ecommerce fullfillment**
26%	**Not enough inventory locations**
24%	**Inefficient routing/dispatching**
24%	**Concerns about environmental impact**
20%	**Poor customer communications (missing gate codes, incorrect addresses, etc.)**
19%	**Can't adapt to unplanned disruptions (traffic, weather, etc.)**
3%	**We have no major barriers for 1-3 day delivery**

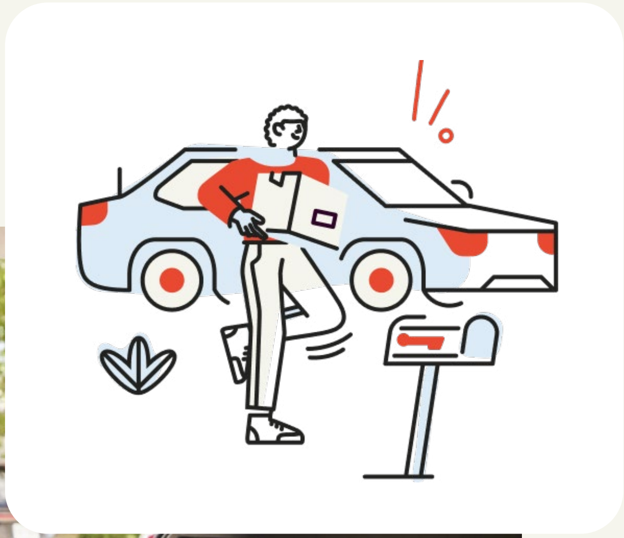
*Respondents selected up to three answers.

Winning in this environment requires diversified last-mile networks that can flex under pressure. Regional carriers and gig-based models can not only bolster capabilities in urban locations, but also fill gaps in rural and hard-to-serve areas. Ultimately, a diversified mix of carriers give shippers more ways to deliver on promises when traditional channels fall short. Relying on a single carrier leaves companies vulnerable at the exact moment customers expect the most from the brands they engage with. This is one of the many reasons why diversification is no longer a nice-to-have; it's the foundation for resilience and optionality in the last mile — especially during peak periods when volume may soar beyond the capabilities of an organization's usual carrier network.

> "Delivery optionality starts with carrier diversification."

Garrick Pohl
Vice President
New Initiatives, Veho

"You need the right mix of national, regional and tech-enabled partners to stay resilient when costs spike, capacity tightens or disruptions hit. Without that flexibility, you're putting your brand at risk during the most critical season of the year."



Is Your Brand Ready for Peak...and Beyond?

Our survey turned up some important findings for retailers to consider as they make final preparations for Peak Season 2025. Most importantly, we've learned that fast delivery and quality are no longer trade-offs, they have to go hand in hand. Smart companies balance speed, reliability and customer experience on every order, knowing that a single failure can undermine loyalty that's been built up over years. Partnerships, technology and smarter KPI measurement help close performance gaps and protect brand equity. Meanwhile, optionality helps organizations meet customer needs while protecting their margins during peak and beyond.

The data also shows that the path forward is within reach. By studying their own peak season patterns, companies can see which products demand premium speed and which can succeed with slower, reliable delivery. Combined with proactive use of data and strategic transportation partners, those insights turn optionality into a competitive strength.

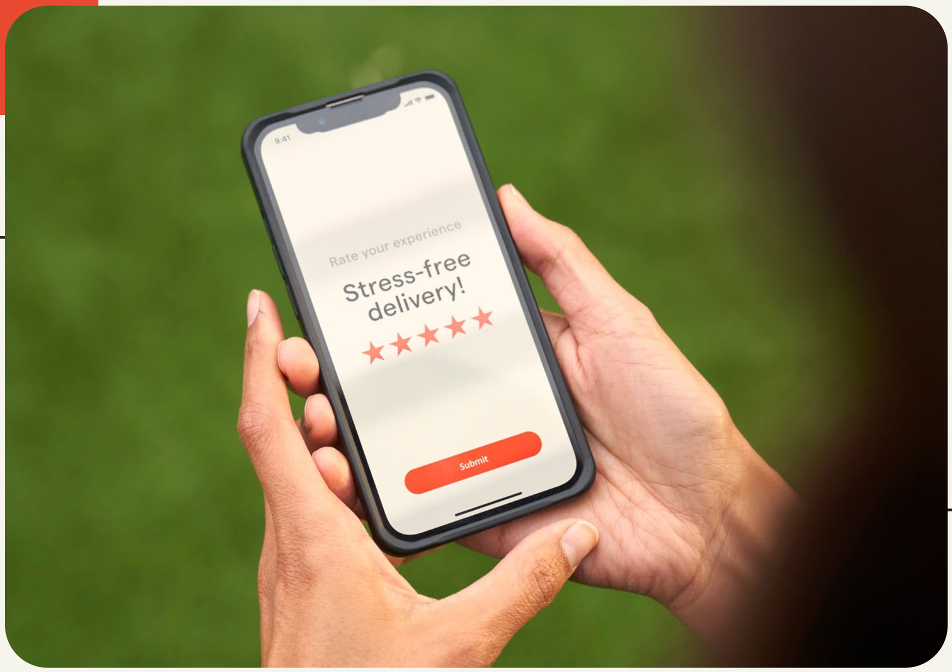
"The brands that succeed in this market will be the ones that spot issues before the customer does, communicate proactively and back every promise with visibility and accuracy," Pohl says.

> "Companies that invest in smarter networks and stronger partnerships now will be able to tackle the challenges of peak and emerge positioned for even more growth."

Garrick Pohl
Vice President
New Initiatives, Veho

In the end, the survey tells us something that many supply chain professionals already know: The rules of the delivery game have changed, and that getting orders delivered quickly is no longer enough. Success now depends on blending speed with choice, building resilient last-mile networks and using technology to turn delivery into a growth driver. By taking action now, companies can turn seasonal hurdles into sustainable growth.

“All of the resources needed for brands to provide cost-effective, reliable delivery are available: plenty of carrier options, competitive pricing, and technology to optimize speed, cost, and reliability,” Skiver says. “Brands should find a balance of building a diverse carrier base, obsessively managing costs, and measuring carrier performance to provide the delivery experience consumers expect.”



Veho's mission is to power the future of commerce by making shopping, shipping and returns work seamlessly for everyone. Through an innovative end-to-end logistics infrastructure powered by the latest technology and designed for the needs of brands and consumers. Veho is reinventing shipping, and all parts of the post- purchase experience as we know it. Veho removes the pain from delivery and returns and creates new powerful opportunities for brands to engage and build deep loyalty with their customers, and delight them like never before. Learn more at shipveho.com.

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