



LJM'S 2025 PEAK SEASON SHIPPING PLAYBOOK

Actionable steps to reduce costs, mitigate surcharges, and ship smarter



YOUR SHIPPING STRATEGY CAN MAKE—OR BREAK—HOLIDAY PROFITABILITY

The 2025 holiday season is projected to see online and non-store sales rise 7% to 9% year-over-year, reaching between \$1.5 and \$1.6 trillion ([NRF, 2025](#)). While topline growth is promising, shipping costs are climbing too. FedEx, UPS, and USPS have announced surcharges and new fees that can quietly erode margins.

For high-volume shippers, a few extra dollars per package during peak season can quickly snowball into millions. For small to midsize businesses, limited leverage raises the stakes—making both cost control and customer satisfaction harder to achieve.

Bottom line: Holiday shipping strategy can make or break Q4—and the year.

That's why we created this playbook.

Developed by [LJM's Executive Shipping Advisory](#)—a team of former carrier insiders and logistics experts—it breaks down demand surcharges, highlights what to watch, and outlines steps to take now to stay ahead.



TABLE STAKES — CHECKLIST TO PROTECT MARGINS

These foundational moves are non-negotiable to control costs and keep customers happy during peak season:



FORECAST DEMAND

Lean on historical data and predictive analytics to anticipate order surges. Cross-reference volume-based fee thresholds to determine if a supplemental shipping strategy is needed. Align with marketing to shift consumer buying behavior through targeted incentives (covered later in this guide).



REVIEW PAST PERFORMANCE AND AUDIT INVOICES

Identify bottlenecks, unexpected fees, and peak-time inefficiencies. LJM's audits across 1500+ companies consistently reveal significant savings opportunities hidden in simple process changes. Routine invoice audits safeguard margins by catching errors and contract discrepancies before they impact the bottom line.



SECURE CARRIER CONTRACTS EARLY

Lock in rates and capacity ahead of peak volume pressure. Take advantage of any opportunity to secure favorable terms ahead of last-minute increases.



COMPARE ACROSS CARRIERS

Different packages may favor FedEx, UPS, or USPS. Build a SKU-level data model that factors in service, dimensions, weight, delivery zones, and other variables to determine the most cost-effective carrier for each parcel profile. Learn how [LJM's Parcel Intelligence Platform™](#) simplifies this process.



ASK FOR DISCOUNTS AND WAIVERS

Shippers often have more leverage with carriers than they realize. [LJM's Executive Shipping Advisory](#) surfaces strategic opportunities to negotiate with your carriers.

GAIN AN EDGE THIS HOLIDAY SEASON

Packaging Tweaks to Beat Dimensional Rounding:

UPS and FedEx now round a 10.3" box up to 11", triggering higher fees. Shaving fractions of an inch can deliver outsized savings. [LJM's Executive Shipping Advisory](#) works with you to refine packaging strategies that preserve brand identity while lowering costs.

Advanced Warehouse Planning:

Regional distribution reduces transit times and surcharges while optimizing capacity. [LJM's Parcel Intelligence Platform™](#) provides advanced modeling to simplify planning and optimize performance.

Shift Holiday Buying Behavior:

In 2024, Rakuten reported that 13% of buyers started holiday shopping by September. Use SKU-level data to pinpoint which products to promote early. For example, offering a 10% early discount on snow skis may be more cost-effective than absorbing FedEx's peak season oversize charge.

Buy-Online-Pick-Up-In-Store (BOPIS):

Redirect fulfillment to brick-and-mortar stores as regional hubs—multiple LJM clients have achieved **double-digit savings** with this strategy.

Let LJM Find Your Holiday Shipping Savings

Get a **FREE** Analysis

2025 DEMAND SEASON CARRIER SURCHARGES — WHAT TO WATCH

FedEx

Effective September 29, 2025 – January 18, 2026
(peak period: November 24 – December 28)

Fees include:

- **Additional Handling Surcharge (additional to base AHF):** \$8.25 - \$10.90
- **Oversize Charge:** \$90 - \$108.50
- **Ground Unauthorized Package Charge:** \$490 - \$545
- **Express Demand Surcharge:** \$1.05 - \$2.10
- **Residential Ground / Home Delivery Demand Surcharge:** \$0.40 - \$0.65
- **Ground Economy Demand Surcharge:** \$2.20 - \$3.55
- **Residential Delivery Charge (for >20K/week shippers):** \$1.55 - \$8.75

USPS

Effective October 5, 2025 – January 18, 2026

Applies to Priority Mail, Priority Mail Express, Ground Advantage, and Parcel Select services.

Fees include

- **Priority Mail & USPS Ground Advantage (Zones 1-4):** +\$0.30-\$2.25
- **Priority Mail & USPS Ground Advantage (Zones 5-9):** +\$0.35-\$6.50
- **Priority Mail Express:** +\$1.00-\$13.00
- **Flat Rate Boxes & Envelopes:** +\$0.70-\$1.25
- **Reminder:** USPS's year-round +\$12.50 per parcel Sunday/Holiday delivery surcharge remains in effect during peak season.

2025 DEMAND SEASON CARRIER SURCHARGES — WHAT TO WATCH

UPS

Effective September 28, 2025 - January 17, 2026
(peak period: November 23 - December 17)

Additional Handling, Large Packages, and Over Max Fees

- **Additional Handling Surcharge:** \$8.25 - \$10.80
- **Large Package Surcharge:** \$90.50 - \$107
- **Over Max Limits:** \$485 - \$540

Demand Surcharge Fees (effective October 26, 2025 - January 17, 2026)

- **UPS Ground Saver Demand Surcharge:** +\$0.40-\$0.60
- **UPS Ground Residential Demand Surcharge:** +\$0.40-\$0.60
- **UPS Next Day Air Demand Surcharge:** +\$1.10-\$2.05
- **All Other UPS Air Demand Surcharge:** +\$1.10-\$2.05

High Volume Fees for shipping >20,000 packages/week (effective October 26, 2025 - January 17, 2026)

Tiered by percentage over baseline volume. See ups.com/peaksurcharge for High Volume Shipper Tables.

- **UPS Ground Saver Demand Surcharge:** +\$0.40-\$7.50
- **UPS Ground Residential Demand Surcharge:** +\$0.40-\$7.50
- **UPS Next Day Air Residential Demand Surcharge:** +\$1.10-\$8.75
- **All Other UPS Air Residential Demand Surcharge:** +\$1.10-\$8.75
- **UPS Next Day Air Commercial Demand Surcharge:** +\$1.10
- **All Other UPS Air Commercial:** +\$1.10

UPS 2025 surcharges are significantly more punitive for high-volume shippers. Previously, the High Volume fees only applied to excess volume. Now residential shippers who exceed baselines will see fees applied to all packages sent during the high-volume week—not just the overage. Additionally, high volume fees have expanded beyond Ground Residential, Ground Saver, and UPS Air Residential to include Air Commercial packages.

NEXT STEPS

Holiday shipping can be a minefield of hidden fees or an opportunity to strengthen your margins and customer experience.

This season LJM is offering free support for shippers:

1. **Free Analysis:** Find out how much you could save with a complimentary review of your shipping profile.
2. **Executive Shipping Advisory Consultation:** Explore tailored strategies to optimize your holiday shipping.

 Let LJM transform shipping from a cost center into a competitive advantage this holiday season.