

## Courier companies deliver as they take up Christmas challenge

Vast hiring spree and deployment of thousands of extra vans have helped groups cope with flood of online orders



Deliveries largely kept flowing after Amazon and other big groups took on extra staff and invested in more vans and warehouse space to deal with the online boom © Chris Ratcliffe/Bloomberg

George Steer 7 HOURS AGO

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Britain's courier companies faced one of their biggest logistical challenges this Christmas with a surge in demand for deliveries that in a normal year would have overwhelmed them.

But after a vast hiring spree, investment in more warehouse space and the deployment of thousands of extra vans, bosses of the big groups say they have coped rather than crumbled in tackling the flood of orders.

At the busiest time of the year, [the pandemic-induced online boom](#) has put extra pressure on the main groups, which control 75 per cent of the UK's parcel delivery market in terms of revenues and volumes.

Royal Mail, Amazon Logistics, UPS, DPD, Hermes and Yodel insist their investment in people and buildings on a scale not seen before helped keep deliveries flowing and mainly arriving on time.

Only Royal Mail has admitted big problems after complaints prompted the launch of a full Sunday parcel delivery service because of exceptionally high volumes and Covid-19 restrictions at sorting centres.

Mike Hancox, chief executive of Yodel, said his company has been operating at peak levels since March, with volumes up 20 per cent and Christmas forecast to be "another 20 per cent on top of that".

Yodel hired an extra 3,000 temporary workers to see it through December and expanded its fleet by 600 vehicles.

## Couriers have coped well with the peak, but volumes will rocket again with the sales

Bruce Fair, Metapack

Carl Lyon, chief operating officer at Hermes, said the company took on 4,000 temporary workers, added 2,500 vehicles and handled 3m parcels a day. “This was the level of parcels we originally expected for 2025.”

In the case of Royal Mail, it took on 33,000 additional temporary workers for [this year’s peak season](#), up from about 20,000 extra staff hired in the

run-up to the 2019 holiday period.

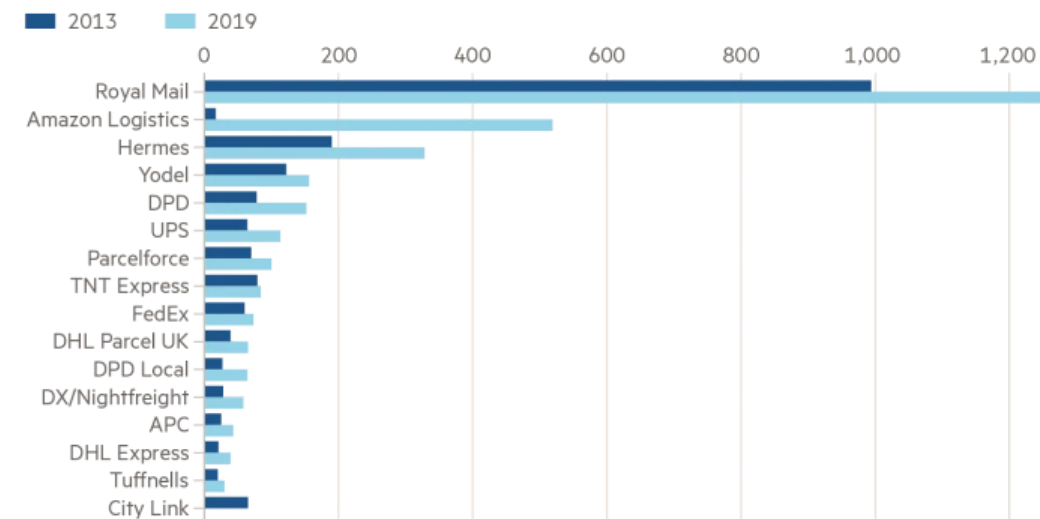
Elsewhere, Amazon expanded its workforce this year by a third and added an additional 20,000 temporary positions across the UK ahead of Christmas, while DPD recruited 5,000 more drivers in December than the same month last year.

DPD also spent £200m on new vehicles as it reported a 40-50 per cent rise in parcel volumes compared with last Christmas.

“In a normal year” couriers would have struggled, said Justin Opie, managing director of online retailers’ industry body IMRG. “But everyone has had months to adapt. It feels like we’ve jumped five years in five or six months.”

### The UK delivery market

Estimated volume by carrier (m)



City Link exited the market in 2015

Source: Apex Insight

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Many of the IMRG’s members were offering longer delivery windows to ease courier’s workloads, he added.

There were also “significantly higher” levels of sales and promotion from the beginning of November to try and spread demand.

This was particularly important to help couriers handle [the busiest ever Black Friday](#) in late November, with parcel volumes between 40 and 70 per cent higher compared with 2019.

Bruce Fair, chief risk operator at Metapack, which collects performance data on deliveries, said most groups had handled an expansion in parcel volumes of 70 per cent over the Black Friday period “extremely well”.

The company said it “had not seen either an improvement or degradation” in courier performance this year compared with 2019, “which tells us that retailers and carriers have coped well”.

However, there have been critics.

The Communication Workers Union said Royal Mail workers had been “under tremendous pressure, not just now but since the start of the pandemic”.

Frank Proud, founder of consultancy Apex Insight, added that Royal Mail had expected an exceptionally busy Christmas period, “but that doesn't mean they could solve the problem”.

The two new temporary parcel sorting centres acquired by the 500-year old-company in Milton Keynes and Northampton would be “very manual and quite inefficient”, he said.

One innovative way of keeping up with demand, particularly in far-flung locations, might be the introduction of delivery drones.

This month Royal Mail became the first nationwide UK parcel carrier to deliver a package using an unmanned aerial vehicle or drone.

Working with DronePrep, Skyports and what3words, it successfully used a drone to drop off a parcel to a lighthouse on the Isle of Mull off the west coast of Scotland.

But although Royal Mail hopes the technology will soon play an important role supporting its frontline delivery staff, a drone army to keep on top of demand is far from imminent.

It means couriers and their staff will probably remain at full tilt in the new year to maintain services as shoppers are expected to stick with the internet and avoid the high street.

“The next test will be the returns in January,” said Metapack’s Mr Fair. “Couriers have coped well with the peak, but volumes will rocket again with the sales.”

IMRG’s Mr Opie added: “When shops reopened over the summer, everyone thought the huge peaks in online sales would fall away and the natural order would return. That did not happen.

“People who hadn't shopped online before the pandemic will continue to do so, at least to some extent in the new year.”