

# UPS Announces Innovative New Products And Services To Help Customers Grow And Succeed

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UPS (NYSE:UPS) today announced the most extensive roll-out of new customer services and capabilities in the company's recent history. The new solutions are designed to capture growth opportunities in strategic markets: small- and medium-sized businesses (SMBs), e-commerce, high-growth international countries, and healthcare and life sciences. These market segments were outlined by company leaders as priority growth areas when addressing investors at the company's Transformation Conference in September 2018.

"UPS continues its commitment to helping our customers grow and succeed while also creating higher UPS network utilization and profitable growth," said David Abney, UPS Chairman and CEO. "Transformation, including technology-driven modernization in our network and technology platforms, is enabling major enhancements to our product portfolio and our customers' experience."

## UPS My Choice for Business

UPS is launching a first-of-its kind solution in the U.S. market for SMBs called UPS My Choice® for business. Available July 29, the new solution builds on the tremendous success of UPS My Choice for home, which has 60 million members. UPS My Choice for business allows customers to easily monitor, plan and control deliveries and outgoing shipments. Features include a web-based dashboard, advance delivery notifications for

"day-before" and "day-of" delivery alerts with estimated arrival times within two hours.

Self-registration ensures easy access and to ensure effective controls, the service features administrative capabilities for businesses with multiple employees involved in order management and delivery processing. For more information, see UPS My Choice for Business.

## Continued Investment in U.S. Network to Speed Transit Times and Enable New or Expanded Solutions, Including Seven Day Pick-up and Delivery

### Improving Time in Transit

As part of ongoing plans, UPS is making major investments to optimize transportation assets, shipping modes and technology resources to improve time in

transit. The investments focus on shipping lanes connecting cities and towns where more than 80 percent of the U.S. population resides. The investments will benefit customers using all products in UPS's broad shipping portfolio.

#### UPS Extended Hours Pickup for Next Day Ground Delivery

UPS now enables customers to tender shipments later for next-day Ground delivery in cities and towns with about 85 percent of the U.S. population. This offering solidifies UPS's leading market position in both next-day air and ground coverage. The extended day pick-up for next-day Ground service is currently available by contract.

#### Seven-Day Delivery Network

Beginning January 1, 2020, UPS will offer customers pick-up and delivery services seven days per week. UPS will expand its current Saturday pick-up and delivery services for both residential and business locations and add new Sunday pick-up and delivery options. The seven day operation builds on UPS's market-leading position by allowing shippers to reach consumers faster with the products ordered over the weekend.

"We will leverage the combination of the UPS Network, UPS Access Point locations and SurePost in collaboration with the

United States Postal Service to efficiently provide these exciting new capabilities," said Kevin Warren, UPS Chief Marketing Officer. "Building on an expanded relationship with the Postal Service to help deliver seven day service to our customers makes good business sense."

The company is adding 10 million pounds of additional lift capacity, the largest current expansion of capacity by any carrier. Over the last several months, UPS has significantly increased its market share in the next-day air package market, especially among the world's largest e-commerce shippers. The company continues to operate at a high level of aircraft capacity utilization and is deploying aircraft to shipping lanes in line with market needs. Previously announced investments in the UPS airline network are providing flexibility for growth as customer expectations shift toward faster delivery times.

UPS has already taken delivery of 18 of 44 new aircraft previously announced and will receive the remainder by 2022. In 2019, UPS will receive 11 aircraft, the most in any year of the current aircraft expansion program.

UPS Access Point Locations Increase by up to 12,000, growing to 21,000 in the U.S. and 40,000 Globally, Supporting E-Commerce Delivery and Returns

An important element of the company's

e-commerce growth strategy is broadening and simplifying access for UPS customers by partnering with leading retailers. UPS today announced the planned expansion of its UPS Access Point network over the coming months with up to 12,000 additional locations across CVS Pharmacy, Michaels and Advance Auto Parts stores, with initial store pilot efforts already underway.

With more than 40,000 UPS Access Point and 38,000 drop-box locations around the world, UPS gives customers the global advantage of an industry-leading network with more than 78,000 locations to pick up or drop off packages. Soon, more than 90 percent of U.S. consumers will find a UPS Access Point location within five miles of home, offering an extraordinary level of convenience and flexibility.

The UPS My Choice for home solution, used by more than 60 million consumers throughout the world, and the new UPS My Choice for business platform pair seamlessly with UPS Access Point locations offering consumers and businesses with enhanced control and convenience.

"We remain the e-commerce shipper of choice, providing unmatched support to meet our customers' needs for premium, quick delivery solutions," said Kate Gutmann, Chief Sales and Solutions Officer. "These partnerships and platforms provide a win-win for our customers and UPS. Our

customers gain convenience and control and UPS attains further geographic reach and greater densities."

#### Worldwide Economy Product

Building on the industry's broadest portfolio, today the company also launched UPS Worldwide Economy, a new deferred service designed to provide affordable and efficient international shipping options. The new offering supports international merchants' desire to make more low-priced items available for cross-border e-commerce transactions. This new service initially will be available to UPS customers in the U.S., Canada, China, Hong Kong and the U.K., with additional key global markets being added in the near future. For more information, see UPS Worldwide Economy.

#### UPS Establishes New Drone Subsidiary: UPS Flight Forward

To scale drone operations in targeted markets faster, UPS has filed for Part 135 certification from the Federal Aviation Administration to operate a newly established UPS subsidiary called UPS Flight Forward, Inc.

The certification, when granted, will allow application for FAA-approved flight operations beyond line of sight, at night, and with an unlimited number of drones and operators in command. UPS intends to

remain at the forefront of drone commercial aviation and the industry leader in FAA fully certified U.S. drone operation for routine flights.

UPS and its partner, Matternet, currently operate special drone healthcare deliveries of medical samples under FAA Part 107 rules at WakeMed hospitals in Raleigh, N.C. Part 135 certification will pave the way for service expansions to several other U.S. healthcare networks that have expressed interest in similar services.

"This is an exciting and momentous time at UPS, as we leverage the exceptional power of UPS technology and innovation to bring to market new industry-first capabilities,"

said Abney. "We have even more exciting solutions on the way. UPS will remain an indispensable partner by delivering value for customers, employees and shareowners through speed, technology and reliable execution."

UPS senior leaders will discuss these new capabilities as part of the company's Q2 earnings call scheduled for 8:30 AM EST on July 24, 2019. To listen to the call, please use this link to access the webcast.

Additional details concerning each of the product announcements are available on the UPS Pressroom at this link.

Source: UPS