

FedEx to Optimize Last-Mile Residential Deliveries; Position for Continued E-commerce Growth

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FedEx Corp. (NYSE: FDX) is taking steps to increase the efficiency and lower the cost of residential deliveries as e-commerce continues to grow at an explosive rate.

Beginning in March, FedEx Express will contract with FedEx Ground for the transport and delivery of select day-definite, residential Express shipments.

FedEx Express packages will be selected for delivery by FedEx Ground if they are residential deliveries for which FedEx Ground can meet the service commitment. The company will begin rolling this out in Greensboro, N.C. and will include other markets in phases throughout the remainder of the year.

“This move makes residential deliveries more efficient by putting the right package in the right network at the right cost to serve our customers,” said Raj Subramaniam, president and chief operating officer, FedEx Corp. “We continue to flex our network to stay ahead of e-commerce growth, and that includes adjustments to better handle the demand for residential deliveries while lowering our cost to serve.”

“This allows FedEx Express to continue to do what it does best—delivering business-

to-business and premium business-to-consumer time-sensitive packages. The FedEx Express integrated air-ground network is precisely the type of innovative business model that our labor laws are designed to protect. This change leverages the strengths and investments in the FedEx Ground network, making it the network of choice for residential packages fueled by e-commerce,” Subramaniam added.

By optimizing last-mile residential deliveries, FedEx will also help improve safety and sustainability by reducing the number of delivery vehicles in neighborhoods. This move also enables FedEx to continue to enhance the residential delivery experience by exploring and investing in new last-mile delivery technology and functionality that customers are requesting.

FedEx has the market leading e-commerce portfolio thanks to ongoing investments throughout the enterprise:

FedEx Ground – Transformation initiatives include the launch of Sunday residential

delivery for most of the U.S. population, and the buildout of FedEx Ground's large package handling capabilities for items like TVs and furniture, which consumers increasingly order online.

FedEx Freight Direct – This service has expanded to more than 80 percent of the contiguous U.S. population. The new e-commerce solution offers delivery of bulky items by FedEx Freight team members into residences and businesses.

Retail Network – The extensive retail network now includes more than 14,000 FedEx hold locations, including pick-up and drop-off

services at more than 2,100 FedEx Office locations and well-known retailers such as Walgreens, Albertsons, Kroger and Dollar General. Eighty percent of the U.S. population now lives within five miles of a FedEx hold location.

FedEx Delivery Manager – Package recipients can customize home deliveries to fit their schedules, by requesting that their shipment be redirected to a different location, including a FedEx Hold location, and leaving instructions for the driver; sign up is free at fedex.com/delivery.

Source: [FedEx](https://www.fedex.com)

