



LATESHIPMENT.COM

★ 2024 State Of E-commerce Holiday Shipping In Canada

★ SEVENTH EDITION

An **On-time Delivery Performance** and **2024 Holiday Season Forecast** Report for **Canada Post** and **UPS** based on factual observations made for small parcels shipped by e-commerce merchants in **Canada**.

FEATURED IN TOP RETAIL PUBLICATIONS WORLDWIDE



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About This Report

The “**2024 State of E-commerce Holiday Shipping in Canada**” report focuses on understanding the impact of the surge in order volumes and supply chain disruptions on the on-time delivery performance of **Canada Post** and **FedEx** in Canada during the peak season.

DATA REPORTING AND ANALYSIS

In order to extract meaningful insights that can be used to better understand and forecast the on-time delivery performance of Canada Post and UPS during the upcoming 2024 Holiday season, we analyzed shipment data during the following periods:

Holiday Period 2023
(Nov 26 - Dec 31, 2023)

Regular Operating Period 2024
(Jan 1 - Oct 31, 2024)

This report emerges from a trend analysis done on statistically relevant and verifiable shipment data collected from millions of e-commerce packages tracked and monitored by LateShipment.com during the above-mentioned period.

WHO CAN USE THIS REPORT

This report attempts to bring more transparency to the workings of the autonomous small parcel shipping industry.

Retail Analysts | Media Personnel | Retail & E-commerce Leaders | E-commerce Logistics & Supply Chain Leaders

Insights in this report enable retail leaders, publications, and analysts to focus on Holiday sales and e-commerce logistics with carrier performance metrics for package delays across **key provinces and cities, carrier service types, and retail categories**. Retail merchants can leverage this report to make data-backed decisions to optimize their supply chain during the critical Holiday season and beyond.

Holiday Sales 2024 by the Numbers

In 2024, Canada's holiday e-commerce landscape is poised for modest growth, with projections indicating a 2% increase in sales compared to the previous year according to Retail Insider and 2.2% according to Mastercard. Canadians are planning to spend an average of \$1,478 during the holiday season — an increase of 9.7% compared to 2023, according to Deloitte. Importantly, 43% of holiday budgets will be spent online, highlighting the growing dominance of e-commerce in Canadian holiday shopping habits.

Additionally, the 2024 holiday shopping season is notably compressed, with only 26 days between key events like Black Friday and Christmas. This shortened timeframe is likely to drive earlier purchasing behavior, especially during major sales events such as Black Friday and Cyber Monday. Retailers must adapt by offering compelling deals and ensuring efficient logistics to capture early demand.

2024 HOLIDAY SALES HIGHLIGHTS

- ✓ Canadian total retail sales are expected to grow by **2%** according to Retail Insider and **2.2% year-over-year** from November 1 to December 24, according to Mastercard SpendingPulse.
- ✓ Canadians plan to spend an average of **\$1,478** this holiday season, a **9.7%** increase from **2023**, as reported by Deloitte.
- ✓ **67%** of holiday budgets will be spent on or after Black Friday, with **43%** of overall spending budget allocated to online purchases, leaving a 3.5-week window for retailers to capitalize on.

Overall, Canadian retailers are gearing up for a critical holiday season, striving to deliver value, trust, and a frictionless shopping experience across digital and physical platforms to meet evolving consumer expectations.

The Impact of Postal Workers Strike on 2024 Holiday Shipments

The ongoing Canada Post workers' strike, initiated on November 15, 2024, by approximately 55,000 members of the Canadian Union of Postal Workers (CUPW), has significantly disrupted holiday shipping nationwide. The strike, driven by demands for wage increases and improved working conditions, has led to substantial delays in mail and parcel deliveries, impacting both consumers and businesses during the critical holiday season.

BURNING IMPACT ON THE 2024 HOLIDAY SEASON

- ✓ **Canada Post Parcel Backlog:** The strike has worsened Canada Post's parcel backlog, delayed items have grown to an estimated **12 million**, according to the Crown corporation's update as on Dec 06, 2024.
- ✓ **Impact on Canadians and Businesses:** The postal shutdown is costing businesses millions daily and affecting Canadians nationwide, with 70% reporting delays in sending or receiving packages, according to an Angus Reid Institute poll.
- ✓ **Service Disruptions by Alternative Couriers:** Couriers like **Purolator and UPS** have paused shipments due to backlogs from the strike, severe weather, and high holiday demand, causing further delays.
- ✓ **Suspension of International Mail Services:** **USPS** has temporarily halted international mail to Canada, disrupting cross-border shipments like Priority Mail Express and First-Class Mail due to the strike.

With a shorter holiday season and intense consumer demand, both carriers and retailers are navigating complex dynamics. Carriers are under immense pressure to maintain on-time delivery performance amidst high volumes and consumer demands for prompt, reliable service.

The Canada Post workers' strike has further strained the logistics network, intensifying delays and forcing retailers to adapt quickly. Retailers can mitigate the impact by diversifying shipping options, clearly communicating potential delays to customers, and offering incentives like early shopping discounts or local pickup to maintain customer satisfaction during this critical period.



Canada Post and UPS : On-time Delivery Performance Analysis

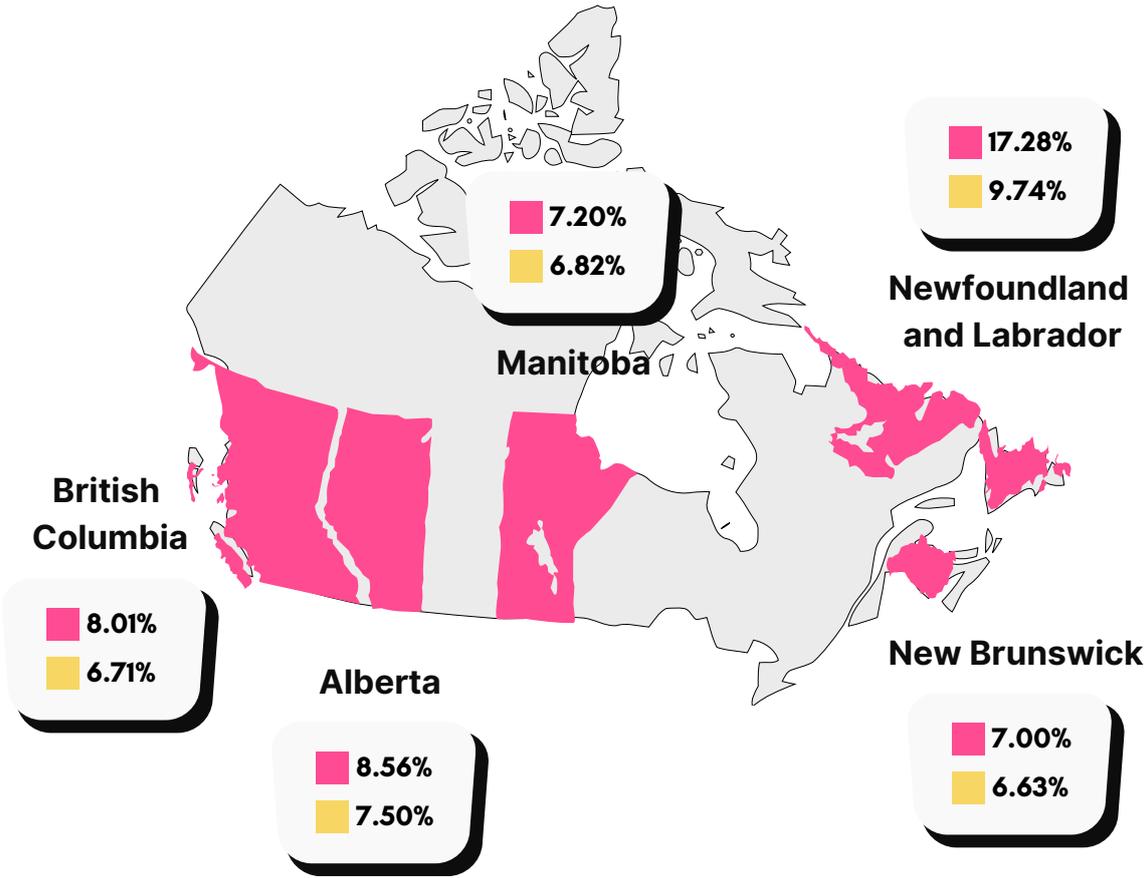
The following section is the result of a trend analysis conducted on packages shipped between the **2023 Holiday Season (Nov 26 - Dec 31)** and **2024 Regular Operating Period (Jan 1 - Oct 31)**. You will find a detailed breakdown of package delays by **Canada Post** and **UPS** across *Provinces, Cities, Service-types, and Retail Categories* in Canada.

Delivery Delays Across Canadian Provinces

CANADA POST PACKAGE DELAYS BY PROVINCES

In 2023, **Newfoundland and Labrador** saw the highest holiday delay rate at **17.28%**, improving to **9.74%** in 2024 regular operating period but remaining the most impacted region. In contrast, **New Brunswick** reported the lowest delays at **7%** during the holidays, further dropping to **6.63%** in the regular period.

Alberta and British Columbia faced moderate holiday delays of **8.56%** and **8.01%**, respectively, with slight improvements in 2024 regular operating period.



Holiday Period 2023
(Nov 24 - Dec 31, 2023)

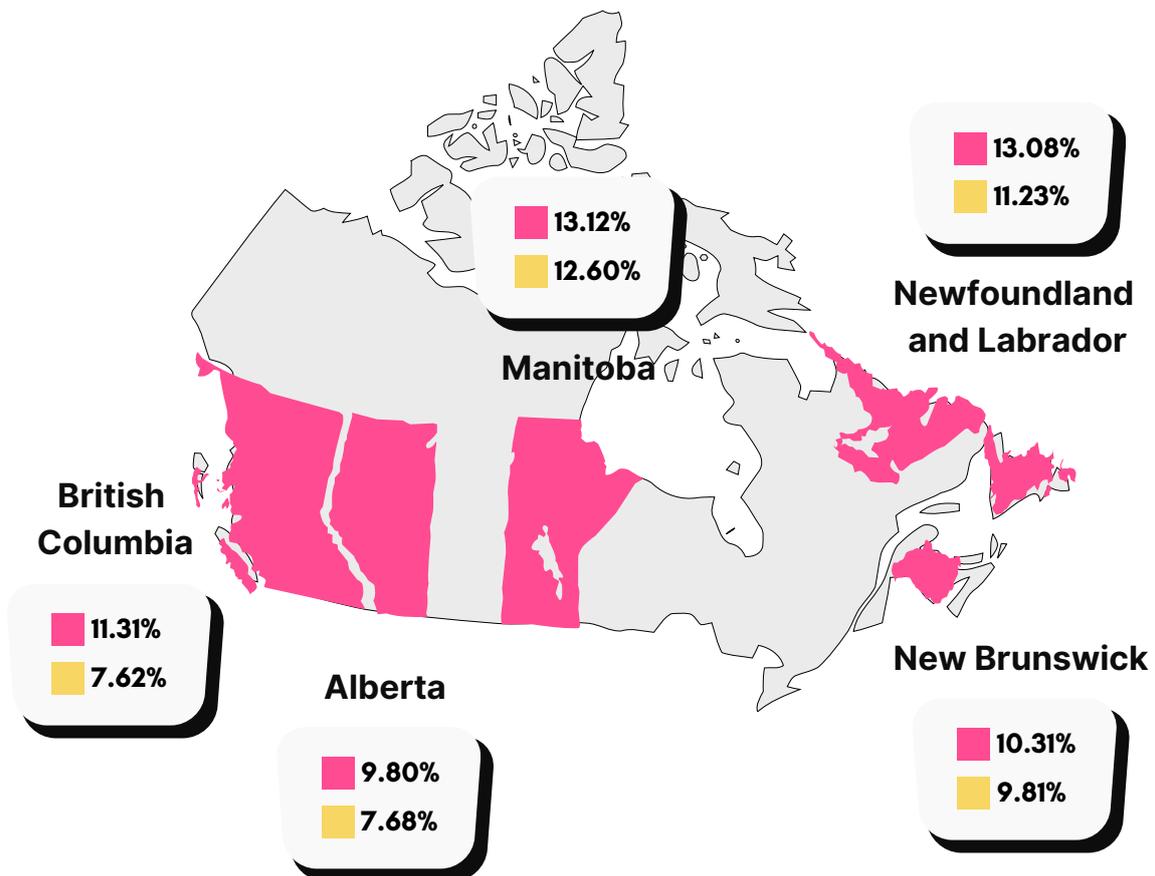
Regular Operating Period 2024
(Jan 1 - Oct 31, 2024)



UPS PACKAGE DELAYS BY PROVINCES

In 2023, **Manitoba** reported the highest holiday delay rate at **13.12%**, slightly improving to **12.60%** during the 2024 regular operating period, making it the most impacted province. Similarly, **Newfoundland and Labrador** experienced high holiday delays at **13.08%**, reducing to **11.23%** in the regular period, indicating ongoing regional challenges.

British Columbia and Alberta showed moderate delays during the holiday season, with **11.31%** and **9.80%**, respectively. These provinces saw significant improvements in 2024, dropping to **7.62%** in **British Columbia** and **7.68%** in **Alberta**. **New Brunswick** maintained relatively stable delays, with **10.31%** during the holidays and a slight reduction to **9.81%** in the regular operating period.



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(Nov 26 - Dec 31, 2023)

Regular Operating Period 2024
(Jan 1 - Oct 31, 2024)

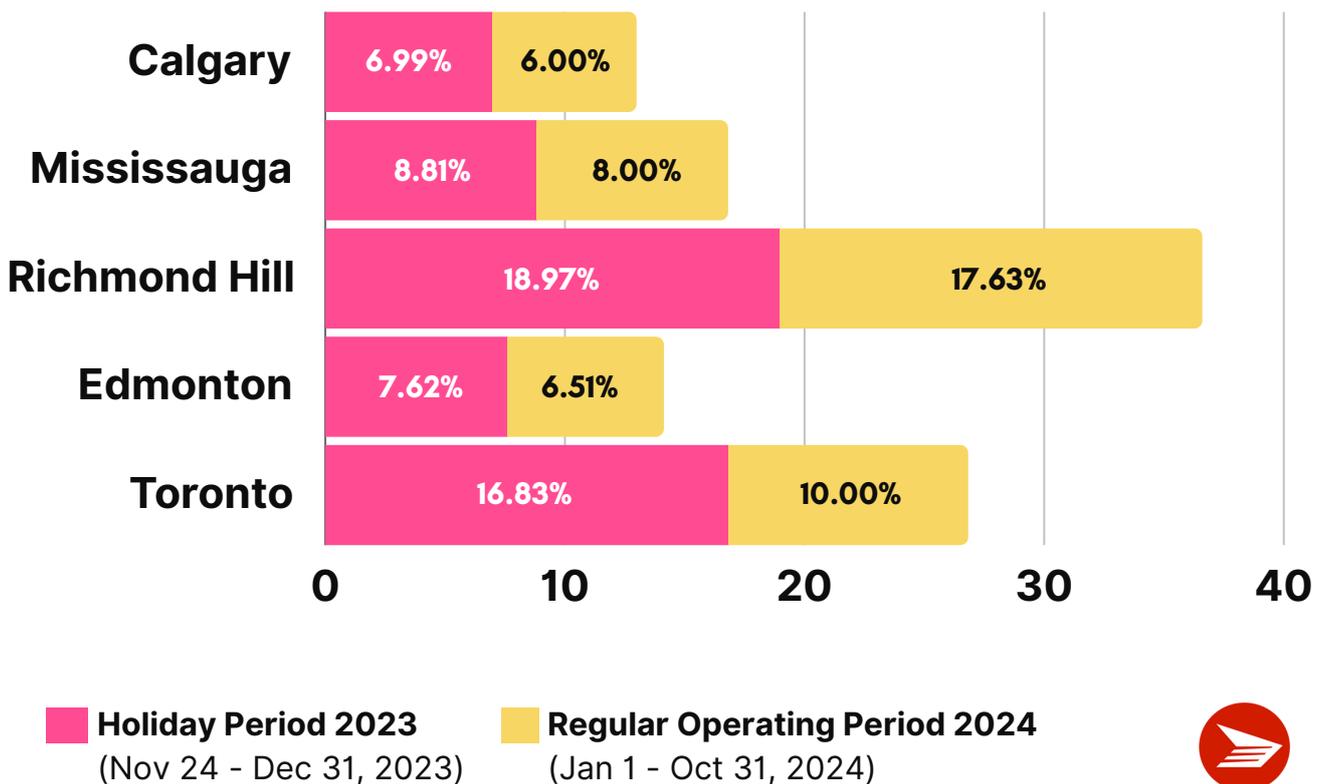


Delivery Delays Across Canadian Cities

CANADA POST PACKAGE DELAYS BY CITIES

During the 2023 holiday season, **Richmond Hill** experienced the highest Canada Post package delay rate among major Canadian cities at **18.97%**, followed by **Toronto** at **16.83%**. In contrast, **Calgary** had the lowest delay rate at **6.99%**, showcasing better efficiency in handling holiday shipments.

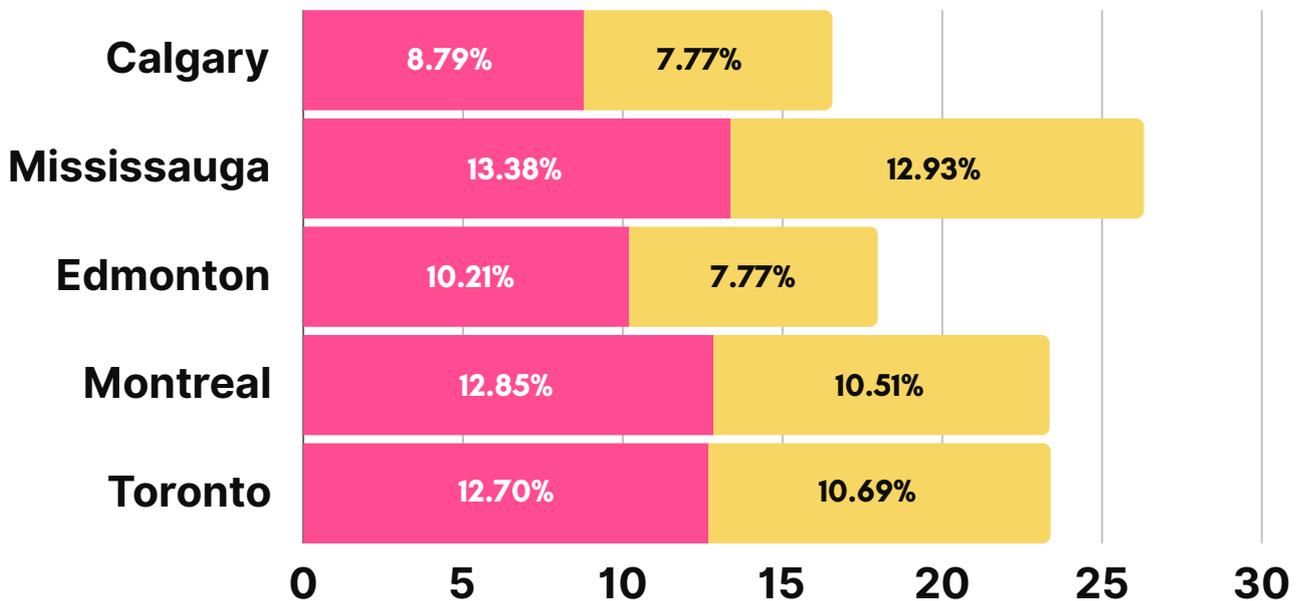
In the 2024 regular operating period, **Richmond Hill** continued to report the highest delays at **17.63%**, while **Toronto** showed significant improvement, dropping to **10.00%**. Calgary maintained its position as the least impacted city, with a delay rate of **6.00%**.



UPS PACKAGE DELAYS BY CITIES

During the 2023 holiday season, **Mississauga** experienced the highest UPS package delay rate among Canadian cities at **13.38%**, followed by **Montreal** at **12.85%**. In comparison, **Calgary** had the lowest delay rate at **8.79%**, showcasing marginally better on-time delivery of holiday shipments.

In the 2024 regular operating period, **Mississauga** continued to report the highest delays at **12.93%**, while **Montreal and Toronto** experienced delay rates of **10.51%** and **10.69%**, respectively. **Calgary and Edmonton** had the lowest delays at **7.77%**, highlighting consistent performance in handling shipments.



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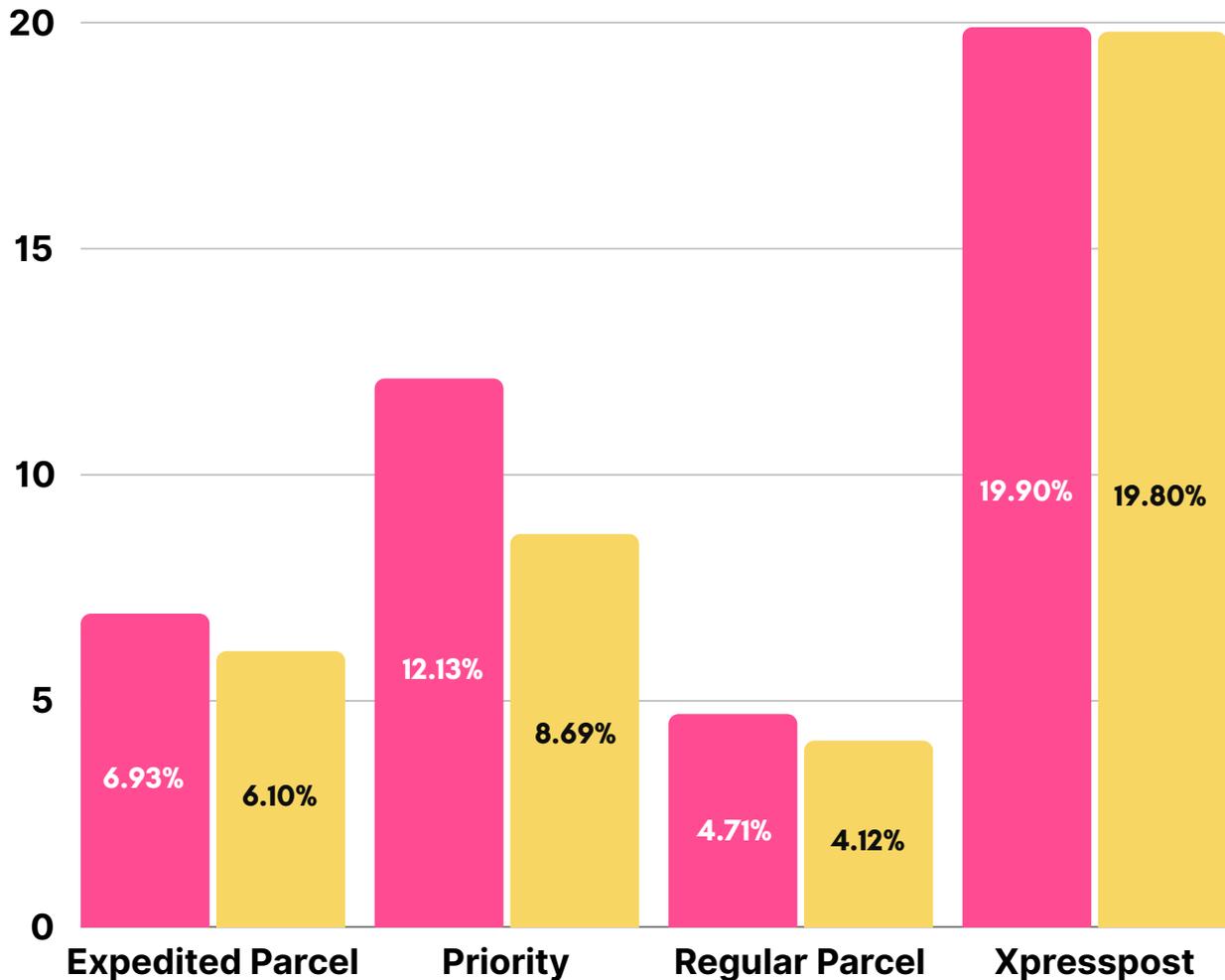
Regular Operating Period 2024
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Delivery Delays Across Key Carrier Service Types

CANADA POST

During the 2023 holiday season, Canada Post's **Xpresspost** services experienced the highest delay rate at **19.90%**, remaining consistent at **19.80%** during the 2024 regular operating period. **Priority** services also faced notable delays at **12.13%** during the holidays, improving to **8.69%** under regular conditions. **Expedited Parcel and Regular Parcel** services reported lower holiday delay rates at **6.93%** and **4.71%**, respectively, with further improvements to **6.10%** and **4.12%** in 2024, indicating stronger on-time performance.



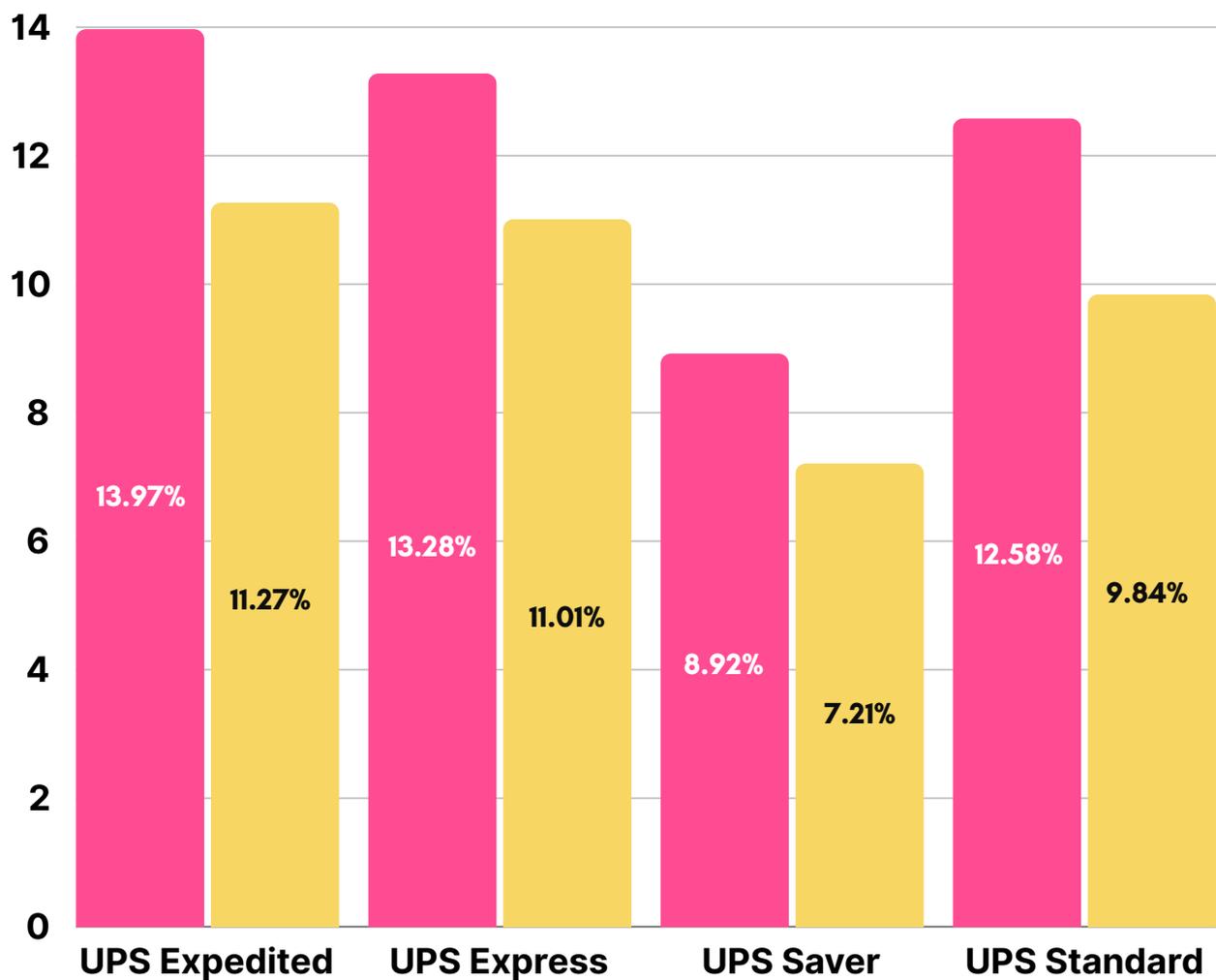
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UPS

During the 2023 holiday season, **UPS Expedited** services experienced the highest delay rate at **13.97%**, improving to **11.27%** in the 2024 regular operating period. **UPS Express** followed closely with delays at **13.28%** during the holidays, decreasing to **11.01%** under regular conditions. **UPS Saver and UPS Standard** reported lower holiday delay rates at **8.92%** and **12.58%**, respectively, improving to **7.21%** and **9.84%** in 2024. These trends indicate that while all services showed improvements in regular operations, premium services faced greater challenges during peak periods.



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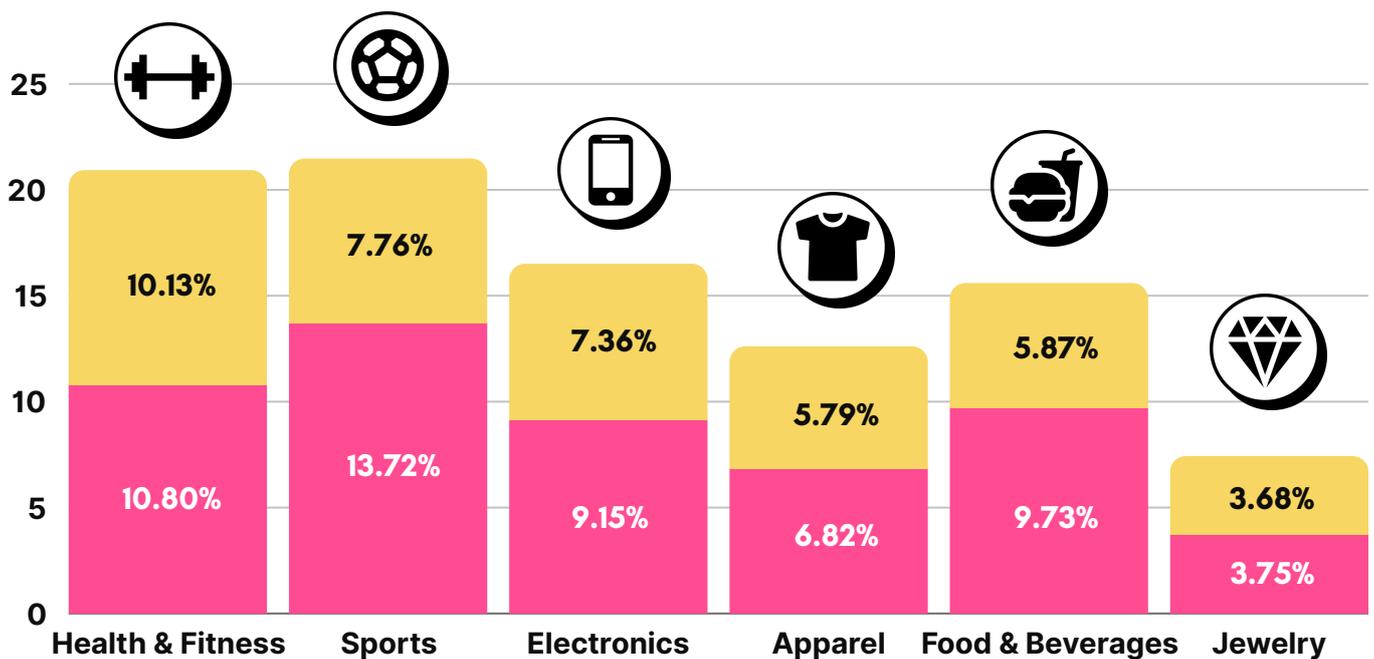


Delivery Delays Across Key Retail Categories

CANADA POST DELAYS ACROSS RETAIL CATEGORIES

During the 2023 holiday season, **Sports and Food & Beverages** categories faced the highest Canada Post delay rates at **13.72%** and **9.73%**, respectively, driven by high seasonal demand. **Electronics** also experienced delays at **9.15%**, reflecting challenges in shipping high-demand goods.

In the 2024 regular operating period, delays improved across categories, with **Jewelry** showing the lowest delay rate at **3.68%**. However, **Health & Fitness and Sports** items continued to experience higher delays, at **10.13%** and **7.76%**, highlighting ongoing logistical challenges for these products.



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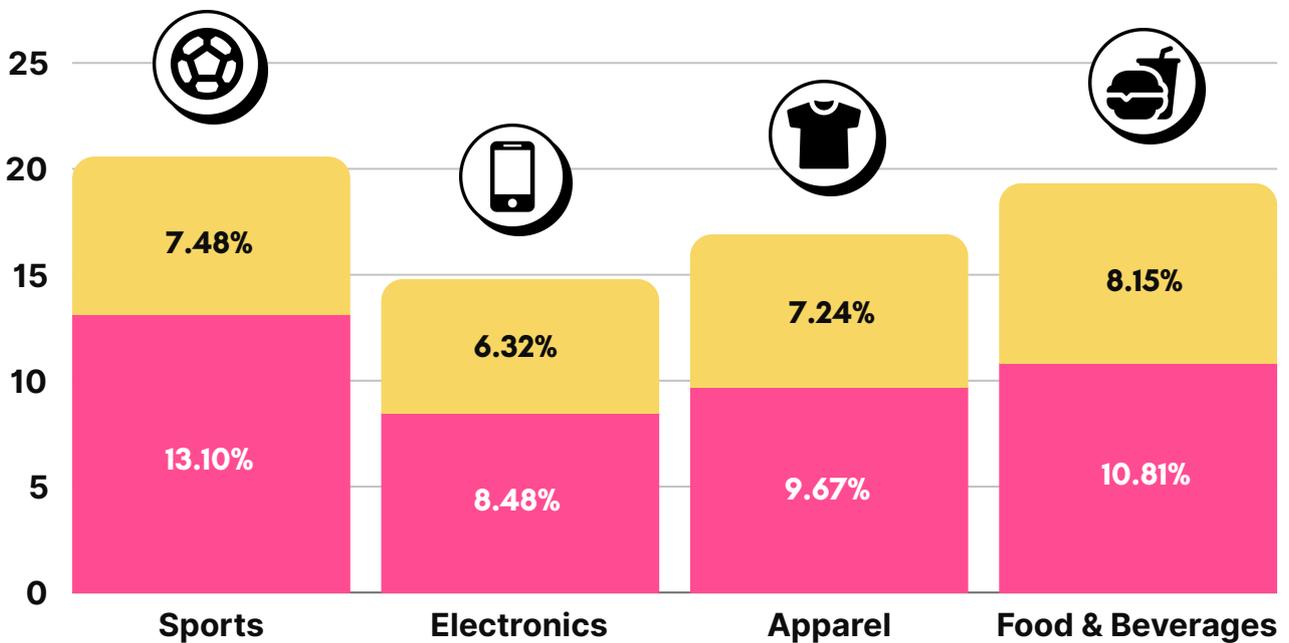
Regular Operating Period 2024
(Jan 1 - Oct 31, 2024)



UPS DELAYS ACROSS RETAIL CATEGORIES

During the 2023 holiday season, **Sports and Food & Beverages** categories saw the highest UPS delay rates at **13.10%** and **10.81%**, respectively, reflecting peak demand and logistical strain. **Apparel and Electronics** also faced delays at **9.67%** and **8.48%**, showcasing challenges across multiple product categories.

In the 2024 regular operating period, delays improved across all categories, with **Electronics** reporting the lowest rate at **6.32%**. However, **Sports and Food & Beverages** still experienced higher delays, at **7.48%** and **8.15%**, indicating ongoing challenges for these product types.



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Holiday Shipping 2024 Predictions, Trends & Insights

The 2024 holiday season is shaping up to be challenging for Canadian retailers and carriers, with ongoing postal worker strikes, weather conditions, and a shorter shopping window impacting logistics networks. Total retail sales are expected to grow modestly by 2.2% according to Mastercard SpendingPulse, with 43% of holiday spending to occur online according to Deloitte, underscoring the importance of robust e-commerce shipping strategies and seamless digital shopping experiences.

- ✓ **On-time Delivery:** Canada Post's delivery performance remains a key challenge due to service disruptions caused by their worker strike. Compounded by this, and network congestions due to rough weather and high parcel volumes being handled, holiday shipment delays are likely to be in the range of **18% to 22%**.
- ✓ **Shorter Holiday Shopping Window:** A compressed 26-day holiday shopping window is putting added pressure on Canadian retailers and carriers to optimize sales and delivery performance.
- ✓ **Consumer Caution and Inflation:** Inflation continues to impact spending; however, Canadians planning to spend \$1,478 this holiday season (up 9.7% from 2023) will look for early discounts and flexible payment options to maximize their budgets.
- ✓ **Heavy Discounting:** Retailers are expected to deploy aggressive promotions, especially closer to Christmas, to attract consumers and clear inventory.
- ✓ **Shipping Costs:** Canada Post, UPS, and FedEx have introduced peak season surcharges to manage increased demand and operational expenses, further impacting business profitability.
- ✓ **Shipping Speed:** Severe weather in regions like Ontario, combined with workforce constraints, is expected to delay both Ground and Express services across major carriers.
- ✓ **Cross-Border Shipping:** Customs regulations and disruptions in cross-border logistics, such as USPS halting shipments to Canada, are likely to increase delivery times and costs for international orders.
- ✓ **Returns:** Higher return volumes are expected, driven by 2.2% increase in online shopping and high order cancellations due to service disruptions.



The Post-purchase Customer Experience Mandate

E-commerce post-purchase issues are nothing out of the ordinary, even during times like the Holiday Season. The impact they have is catastrophic — wrecking customer experience, straining customer support teams, and ultimately threatening the profit margins.

The friction points that hurt customer experience and loyalty occur mostly after orders have been shipped. Knowing what's coming and staying ahead of delivery and return-related issues is key to perfecting post-purchase. Regardless of who the shipping partner is, a leading carrier or a 3PL, some hard truths that you deal with are:



Up to
20%

of shipments face ISSUES such as late delivery, attempted-failed delivery, lost or damaged in transit



Up to
40%

of customer inquiries are WISMO (Where Is My Order), Lost/Damaged shipment or Return related



Up to
35%

of all products purchased online are RETURNED.

In this section, we'll cover everything you need to know about creating an e-commerce post-purchase strategy that will **improve customer experience, boost customer retention, and reduce shipping costs** this Holiday Season and beyond.

The Big Post-purchase Customer Experience Gap

In today's retail market, there are hundreds of shipping carriers worldwide that specialize in e-commerce deliveries.

However, regardless of who your shipping partner is, the truth is that:

-  ~10% of all parcels shipped are either delayed, lost or damaged
-  Customers blame and penalize the brand they shop from and **NOT** the shipping carriers for delivery failures
-  **1-in-3** consumers will switch to a competitor after just **ONE** bad post-purchase experience with a brand

> 40%

of all customer support tickets created are either Shipping, Delivery or Returns related.

All of these lead to a **big post-purchase CX gap** that has a negative impact on customer satisfaction and ultimately affects your profits.

The BIG post-purchase CX gap in online retail



9 Strategies To Ensure Post-purchase CX Success

Taking measures to close the post-purchase CX gap and provide customers with a frictionless delivery experience can cement you as their preferred brand to shop from. Adopting the following ways to improve your post-purchase CX will ensure a positive impact on both your customers' lifetime value and the retention rate of your business.



INCREASE CONVERSIONS ON PDP AND CHECKOUT PAGES WITH ACCURATE DELIVERY DATES

Motivate shoppers with a countdown timer displaying precise delivery dates on product pages. Utilize ML for accurate predictions based on shipping history, carrier performance, and weather, boosting conversions effectively.



PROTECT YOUR BUSINESS FROM FINANCIAL LOSSES DUE TO PACKAGE LOSS AND DAMAGE

E-commerce businesses face an estimated \$8B in annual losses from packages getting lost or damaged during transit. By opting for a third-party shipping insurance provider and automatically insuring your packages (and products) from loss or damage, you can save substantial money when compared to any carrier-provided insurance.



ENGAGE WITH ANXIOUS CUSTOMERS TO REDUCE DELIVERY RELATED SUPPORT TICKETS

Over 30% of customer support tickets created are shipping-related, with most tickets being WISMO (Where Is My Order) inquiries. Addressing such tickets can be both time-consuming and expensive. Make order tracking self-service, send proactive, real-time shipping updates to reduce WISMO calls by 70%



PREVENT NEGATIVE REVIEWS WITH PROACTIVE DELIVERY EXCEPTION ALERTS

Keep your customers informed of their orders with automated delivery exception alerts. Double it down by giving them credits or discount coupons based on severity and turn negative reviews into opportunities for positive CSAT scores



KEEP YOUR CUSTOMER SERVICE AGENTS AHEAD AND IN CONTROL OF CRITICAL DELIVERY ISSUES

Give your agents the visibility they need to take proactive action via real-time order status info, pre-built responses, and coupon codes from inside your helpdesk



DELIGHT CUSTOMERS BY MAKING ORDER TRACKING A CONVENIENT, SEAMLESS EXTENSION OF YOUR BRAND

To ensure seamless brand experiences, every customer interaction should be owned by the brand. Default order tracking pages provided by shipping carriers are dull and off-brand. Providing brand-consistent order tracking pages on your store drives customer delight and increases brand loyalty.



GROW YOUR BUSINESS BY LEVERAGING ORDER TRACKING MOMENTS TO INCREASE SALES AND REDUCE RETURNS

On average, customers track their orders 6 to 8 times before order delivery, that's 6-8 additional marketing touchpoints with customers post-checkout. Boost repeat sales with product recommendations on order tracking pages, besides providing relevant product usage information to reduce returns.



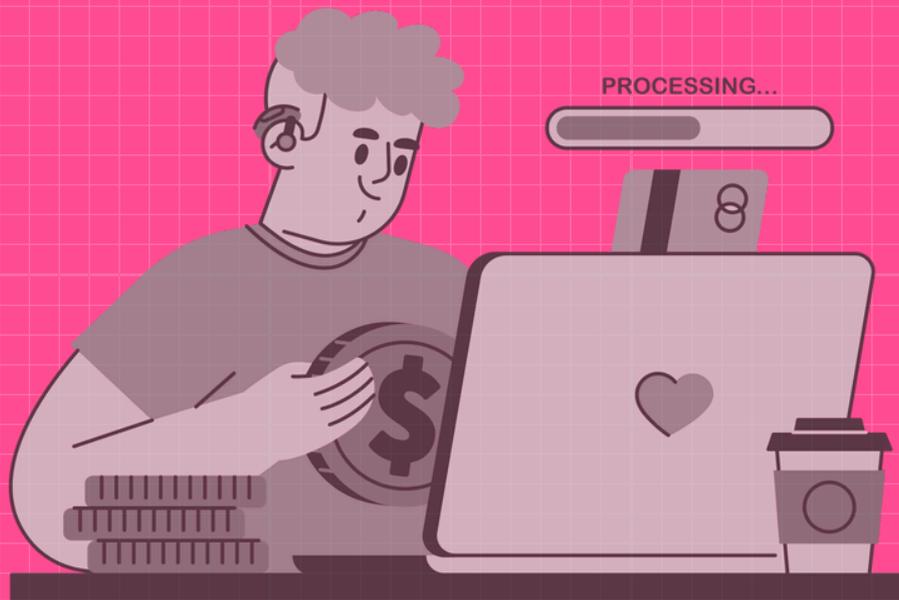
RETAIN MAXIMUM REVENUE WITH SELF-SERVE, AUTOMATED RETURN AND EXCHANGE FLOWS

Be transparent and establish trust with a clear returns policy. Make product returns effortless for your customers, while providing return methods that encourage exchanges and store credit options to ensure revenue retention.



OPTIMIZE YOUR POST-PURCHASE PROCESS WITH ACTIONABLE INSIGHTS

Gain valuable insights into customer feedback and fulfillment optimization to make precise cost reductions and other informed decisions to improve post-purchase CX and operations.



Parcel Audit and Shipping Refunds for Cost Saving

How can your business save up to 20% on shipping costs?

Did you know your business might be overpaying shipping bills by up to **20%** by not claiming refunds from shipping carriers for service failures and billing errors?

The **Money Back Guarantee** policy of shipping carriers promises **100% refunds** on shipping charges if a parcel is delayed even by 60 seconds. You can claim refunds for **50+ service failures and billing errors** that include late deliveries, incorrect surcharges, lost or damaged packages and more.



**Audit invoice for
50+ service failures
& billing errors**



**Recover refunds
and save up to 20%
on shipping costs**



**Get better service
quality from
shipping carriers**

However, claiming refunds from carriers can be both exhaustive and expensive, making it extremely challenging to recover refunds for valid claims before their eligibility window expires. Auditing your shipping invoice regularly can help you receive better service quality, and save you up to 20% on shipping expenses.

About LateShipment.com

At LateShipment.com, we are driven by an overarching mission to bring more transparency to the world of shipping. Our retail logistics solutions include cloud tools for small parcel shippers with a focus on post-purchase delivery experience and shipping cost optimization.

Trusted by 4500+ companies worldwide, at LateShipment.com we have tracked over **150 million packages** shipped through **80+ shipping carriers** globally. With our unique industry position, we're able to leverage our global shipping data and expertise in fulfillment logistics to publish unbiased carrier performance reports aimed at empowering readers with insights about the workings of the parcel shipping industry.

OUR SOLUTIONS

LateShipment.com is the ultimate all-in-one post-purchase success platform for e-commerce retailers, D2C brands, 3PLs, and businesses shipping small parcels, no matter their size or shipping volume.

- Our **Delivery Experience Management** platform helps improve shipment visibility and drive customer delight post-purchase.
- Our **Returns Management** platform makes returns and exchanges effortless and efficient — all while retaining revenue.
- Our **Automated Shipping Refunds** solution brings performance accountability to carrier services and saves up to 20% on shipping spends.
- Our **Automated Shipping Insurance** solution protects merchants from financial losses due to lost and damaged package incidents during transit.

LateShipment.com seamlessly integrates with 1200+ Shipping Carriers and Business Tools, including E-commerce platforms, Order Management Systems, Helpdesks, and Marketing Automation tools, to help you drive post-purchase experiences and shipping cost savings, at scale.

Visit www.lateshipment.com to find out more.

Disclaimer

The data and information in this report have been solely drawn from shipments tracked by LateShipment.com on behalf of its customers. While particular care has been taken to ensure that all data sets analyzed are accurate and statistically relevant across the small parcel shipping industry, LateShipment.com is not responsible for any errors or omissions whatsoever.

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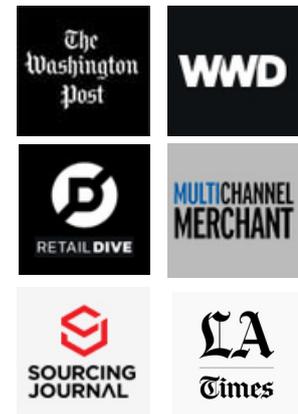
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