◇ ProShip

THE PROSHIP REPORT

The State of High-Volume Parcel Shipping 2025

FOREWORD

To the reader,

If there's one thing I've learned in nearly a decade at ProShip, it's this: parcel shipping is the invisible engine of modern business. It's humming in the background, moving millions of packages every day, often unnoticed, but never unimportant. While customers may not see the complexity behind each delivery, they absolutely feel the results. The speed, the accuracy, and the promises kept at the doorstep are the moments that define trust in your brand. That's why parcel shipping is the heartbeat of customer experience and, in many cases, the deciding factor in whether a business thrives or falls behind.

ProShip knows this story well because we've been part of it for over 25 years. We've weathered the carrier shakeups, the rise of e-commerce, and the whiplash of customer expectations that somehow get higher every year. We've seen what happens when systems buckle under peak season pressure, and we've seen what it takes to build resilient shipping strategies that don't just survive, but scale. The truth is, ProShip has scars from the front lines of parcel shipping, and those scars are exactly why we're trusted by the world's largest, most complex shippers.

That perspective is what makes this second annual ProShip Report so valuable. We didn't just pull stats for the sake of it. We surveyed shippers from across the country and layered that feedback against what we've learned from years of solving real-world shipping challenges. That's why I am so excited to share a guide that blends fresh data with proven insight, giving you a true benchmark for where the industry stands and where it's headed.

Inside, you'll find clarity on the issues keeping shipping leaders up at night, [labor shortages, rising costs, emerging tech, shifting fulfillment models], and a look at how top performers are tackling them head-on. It's not theory. It's not hype. It's the hard-earned, data-backed reality of high-volume parcel shipping today.

At ProShip, we've always believed shipping isn't a cost center, it's a growth engine, a brand protector, and a competitive differentiator. That's why we built this report: to arm you with the knowledge and confidence to turn your shipping operations into a long-term advantage.

Thank you for trusting us to share this perspective. We've been in the trenches long enough to know the stakes are high, and we're proud to stand shoulder to shoulder with you as the industry continues to evolve.

Sincerely,

Taylor Pawelka

Vice President of Marketing & Alliances at ProShip

EXECUTIVE SUMMARY

The Defining Shift of 2025

The 2025 state of high-volume parcel shipping is defined by one foundational factor: cost control. Financial pressure from carriers has forced the parcel market into a state of change, making carrier selection overwhelmingly about price, even at the expense of reliability.

KEY FINDINGS:

Cost is the Undisputed Decision-Maker
Shipping costs are the dominant factor, ranked Top 2 by 76% of high-volume shippers. This focus on price confirms a market under severe financial stress.

Parcel Shipping is Now an IT Problem
Responsibility has moved from a C-Suite policy debate to the implementers, the IT and Supply Chain teams, who now own 75% of the strategy. Their focus is carrier diversification and new software deployment, but this is limited by an industry that is simultaneously hesitant to fully commit to the cloud.

External Threats and Scalability Loom Largest
Beyond cost, the biggest fears come from regulations and policy changes (50%) and evolving customer delivery expectations (47%). Shippers are recognizing that their internal systems cannot keep pace with this external volatility.

Visibility Remains a Critical Gap
57% of shippers said access to highly granular, real-time tracking data is "very important," yet nearly one in four still struggle with tracking and visibility issues.

Technology Adoption is Accelerating
35% of shippers expect artificial intelligence for route optimization to be the most impactful technology in the next 3–5 years, signaling a shift toward data-driven automation.

Carrier Diversification is Growing Steadily
76% of shippers now use between two and five parcel carriers, reflecting efforts to balance cost pressure with risk mitigation.

These findings confirm the industry is at a critical point where short-term cost control must be reconciled with the long-term need for resilient, flexible technology.

DEMOGRAPHICS

Who's Driving Parcel Shipping Decisions in 2025?

To provide the most accurate picture of the industry, our survey targets executives who are directly involved in making parcel shipping operational decisions. While the total number of respondents was slightly lower in 2025 (**138**) than in 2024, we heard from the people who matter most: the technical and operational leaders driving real change.

Our goal remains to provide a benchmark, and the 2025 data confirms we are hearing from the right voices whose priority is complex and mission-critical supply chain operations.
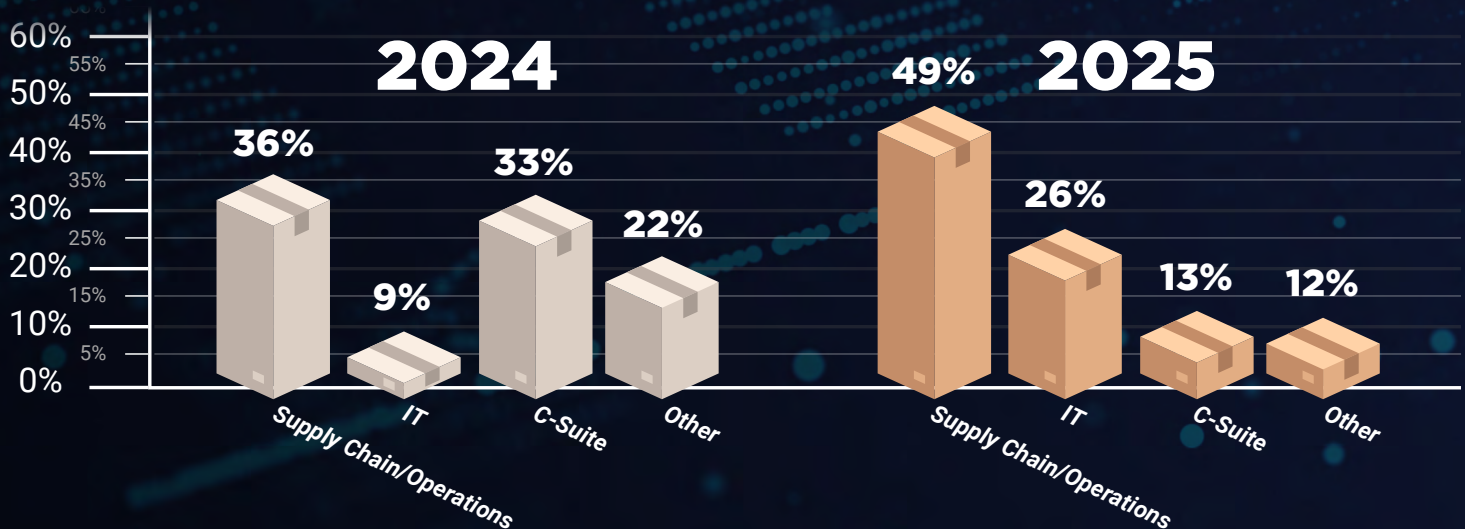
This group provides unique insight into where ownership of parcel shipping now resides.

THE RISE OF THE SPECIALIST: PARCEL SHIPPING IS A TECHNICAL CHALLENGE

The most dramatic change in 2025 is the restructuring of the leadership profile. The data shows that parcel shipping is a critical, day-to-day operational and technological challenge owned by specialists.

1. THE SHIFT: WHO OWNS THE SHIPPING STRATEGY?
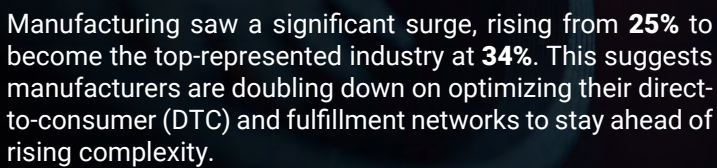### *(2024 vs. 2025)*

In 2024, nearly a third of respondents (**33%**) came from the C-Suite. This year, that share was more than halved, dropping to just **13%**. *Where did that responsibility go?* Straight to the technical implementers: Supply Chain/ Operations grew from **36% to 49%**, and IT nearly tripled its representation, soaring from **9% to 26%**.

This shift suggests that the conversation about parcel shipping has matured. These folks aren't concerned about high-level policy. These are the boots-on-the-ground operators who deal with technical integration, implementation, and system performance. If IT and Supply Chain teams don't align on strategy and investment, the C-Suite's directives will simply fail to launch.

This year's data shows a strong, clear focus on the most complex supply chain environments.

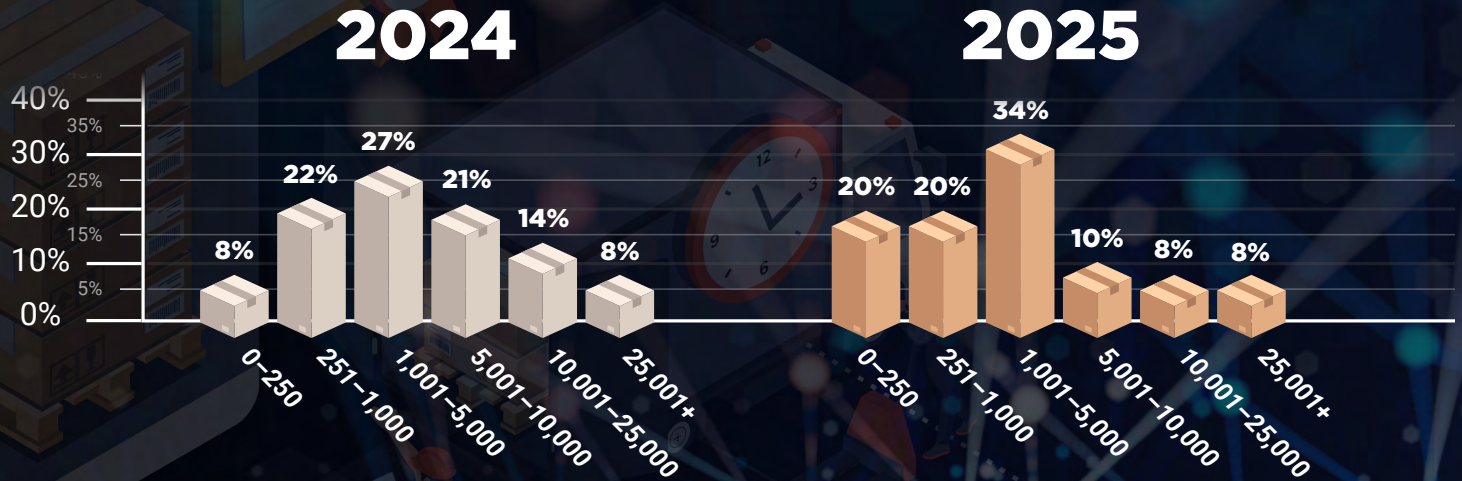## 2. SHIFT IN SHIPPERS BY INDUSTRY
(2024 vs. 2025)

Bar chart showing percentages by industry for 2024 vs 2025:
- Manufacturing: 25% (2024), 34% (2025)
- Retail: 35% (2024), 29% (2025)
- 3PL/Distribution: 34% (2024), 26% (2025)
- Other/Healthcare: 6% (2024), 11% (2025)

Legend: 2024, 2025

Manufacturing saw a significant surge, rising from **25%** to become the top-represented industry at **34%**. This suggests manufacturers are doubling down on optimizing their direct-to-consumer (DTC) and fulfillment networks to stay ahead of rising complexity.

Retail and 3PL remain crucial, but their overall share decreased slightly, making the manufacturing shift the dominant story in the industry breakdown.

*Along with changes in the audience mix, parcel volumes have also shifted significantly. In 2024, **70%** of respondents shipped over 1,000 parcels daily. This year, that figure dropped by 10 points to **60%**.*

3. DAILY PARCEL VOLUME BREAKDOWN
(2024 vs. 2025)

2024

Tier	Value
0–250	8%
251–1,000	22%
1,001–5,000	27%
5,001–10,000	21%
10,001–25,000	14%
25,001+	8%

2025

Tier	Value
0–250	20%
251–1,000	20%
1,001–5,000	34%
5,001–10,000	10%
10,001–25,000	8%
25,001+	8%

This 10-point reduction in the 1,001+ volume tiers reflects the volatile external economic environment. With consumer demand slowing, and many companies importing goods early to beat tariff deadlines, the market is currently in a state of bloated inventory. The 5,001–10,000 tier saw the biggest year-over-year drop, suggesting that this segment of high-volume shippers is addressing these pressures by adopting volume-reducing strategies. These moves include consolidating distribution centers (DCs), shifting inventory to third-party logistics (3PL) providers, and transferring bulk shipments from parcel services to less-than-truckload (LTL) freight to cut costs. This proactive realignment is a direct response to macroeconomic headwinds, a strategic pivot to survive volatile demand and bloated inventory.

The 1,001–5,000 daily volume tier is the clear largest single segment in 2025 at **34%**. The fact that **60%** (combined) of our audience still ships at enterprise scale confirms we are talking to the hardened core of the industry.

"The technical stakeholders at large Manufacturing, Retail, and 3PL organizations are focused on the practical reality of execution, even when overall volume growth is muted."

CURRENT STATE OF HIGH-VOLUME PARCEL SHIPPING

The 2025 data confirms a change in strategy for high-volume shippers.

While Operational Control and Reliability remain critical, the sheer financial pressure from escalating carrier rates has forced Cost Containment to become the single, defining strategic imperative. Shippers are no longer looking at carriers like just vendors. They are partners measured on a variety of factors including their ability to integrate, maintain consistency, and safeguard the customer experience against the high costs of service failures and delays, though this "partnership" is increasingly feeling like a one-way street for some shippers.

Carrier costs and service pressure are reshaping internal logistics, forcing shippers to rethink how they design and manage their networks.

FULFILLMENT STRATEGIES

Today's shipper network is defined by flexibility, redundancy, and proximity to the customer. The trend of moving beyond centralized, single-source distribution is now standard operating procedure, forming a multi-source distribution network essential for managing costs and meeting increasingly demanding delivery windows.

Fulfillment Locations

When asked, **"From which location(s) do you fulfill your parcel shipping?"** the data confirms a diverse, tactical mix, where multiple fulfillment sources are leveraged to optimize inventory movement and minimize shipping zones.

Multiple Distribution Centers (DCs) and the use of 3PLs (Third-Party Logistics Providers) (**58%**) remain the core foundation of fulfillment strategy, utilized by the vast majority of responding shippers. Critically, this distribution profile is largely apples-to-apples compared

to 2024, indicating that a multi-source network is now the established standard operating procedure for high-volume logistics. A distributed network means wider reach, faster delivery, and less risk so there is no more betting everything on one DC.

The continued use of **Stores** and **Drop Ship Vendors** supports essential omnichannel flexibility. Smart shippers tap every inventory source, stores, DCs, drop ship vendors, to meet rising delivery expectations.
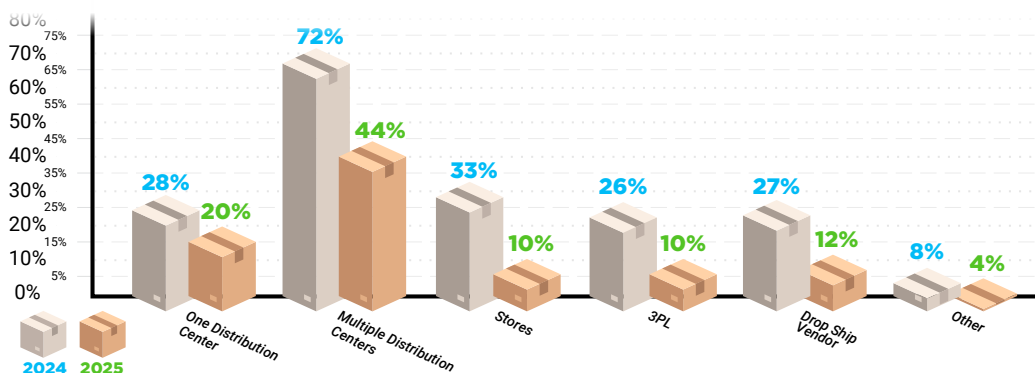
ACTIONABLE INSIGHT

Best Practices for Managing a Multi-Location Fulfillment Network

2025 survey data confirms high-volume shippers increasingly rely on a distributed network of Distribution Centers (DCs), 3PLs, and stores, making centralized control the key to balancing cost and speed. To achieve this, shippers must employ a powerful web of order orchestration. Typically, an Order Management System (OMS) selects the optimal fulfillment source nearest to the customer to ensure the shortest shipping zone is leveraged.

The multi-carrier shipping software solution then becomes the execution engine when paired with the OMS. First, the system should execute pre-shipment business rules, automatically selecting the optimal fulfillment source nearest to the customer to ensure the shortest shipping zone is leveraged. Second, the platform must unify all shipping processes across the tech stack, guaranteeing consistent carrier-compliant label generation and manifesting across every type of location, including integrated 3PL and drop ship partners. Standardizing shipping tech cuts out manual work, lowers cost-per-package, and keeps operations humming.

4. FROM WHICH LOCATION(S) DO YOU FULFILL YOUR PARCEL SHIPPING?

Legend: 2024, 2025

Bar chart values:
- One Distribution Center: 28% (2024), 20% (2025)
- Multiple Distribution Centers: 72% (2024), 44% (2025)
- Stores: 33% (2024), 10% (2025)
- 3PL: 26% (2024), 10% (2025)
- Drop Ship Vendor: 27% (2024), 12% (2025)
- Other: 8% (2024), 4% (2025)

Note: Since respondents were asked to "select all" applicable fulfillment locations in 2024, the total selection percentages for this chart will exceed 100%.
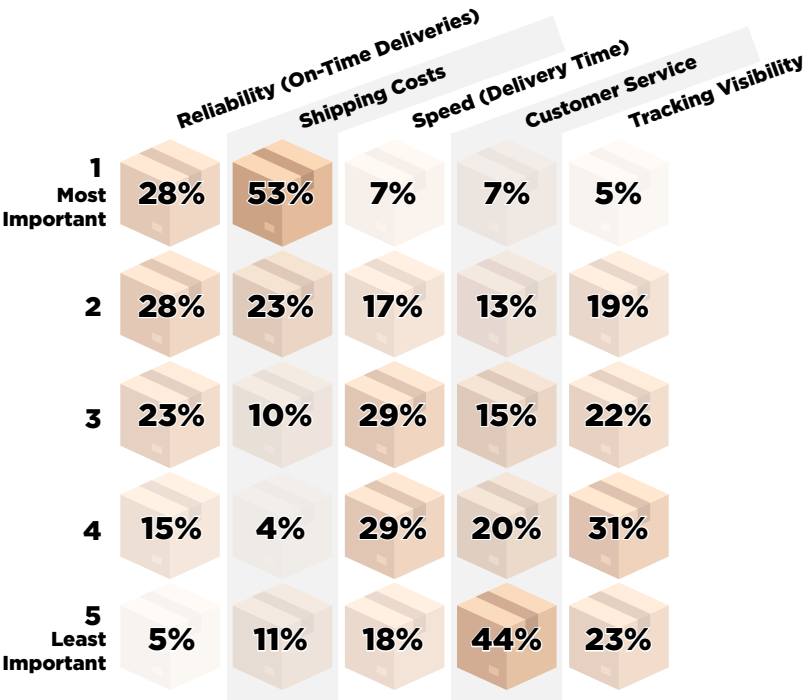
CARRIER STRATEGY & DECISION-MAKING

Shippers have settled on a non-negotiable requirement for their carriers, and the data proves it's unanimous.

Carrier Selection Criteria

ProShip's annual parcel survey tracks the crucial trade-off between speed, cost, and reliability. In 2025, the data shows an overwhelming and rapid shift toward prioritizing Shipping Costs as the most important factor in carrier selection.

5. WHEN CHOOSING A SHIPPING CARRIER, WHAT FACTORS ARE MOST IMPORTANT TO YOUR COMPANY? (2025)

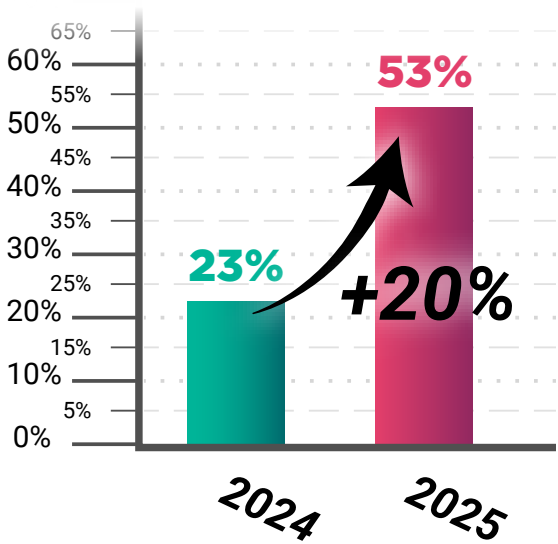|	Reliability (On-Time Deliveries)	Shipping Costs	Speed (Delivery Time)	Customer Service	Tracking Visibility
1 Most Important	28%	53%	7%	7%	5%
2	28%	23%	17%	13%	19%
3	23%	10%	29%	15%	22%
4	15%	4%	29%	20%	31%
5 Least Important	5%	11%	18%	44%	23%

The Cost Containment Crisis

The 2025 data reveals an unprecedented surge in the importance of **Shipping Costs**. While reliability was nearly the same in primary importance in 2024 (**24% vs. 23%**), the cost factor has now exploded from **23% to 53%**, showing a majority of high-volume shippers now rank cost as their single most important carrier selection criteria.

Escalating rates, rising surcharges, and General Rate Increases (GRIs) have pushed shippers to the edge, forcing their focus on minimizing costs, even if it requires trade-offs in other areas.

When looking at the lens of a combined strategic focus (Rank 1 or Rank 2), Shipping Costs dominate the conversation, being named a top-two priority by over **75%** of respondents. This shows that cost containment is a foundational operational strategy.

While Reliability and Tracking Visibility still hold strong strategic positions (**56% and 47%** respectively in the Rank 1 or 2 category), their importance as the primary driver has been eclipsed by the financial pressure of escalating carrier costs and any hidden, variable surcharges. The shift confirms that the 2025 high-volume shipping landscape is fundamentally defined by the search for cost efficiency.

6. COST IS KING: THE PRIORITIZATION OF SHIPPING COSTS (2024 VS. 2025)

Service Utilization: The Ground Backbone

In alignment with the prioritization of cost control, the data demonstrates that standard ground service remains the most frequently utilized shipping option (**53%**). This strategy forms the foundation of the entire parcel operation for most high-volume shippers.
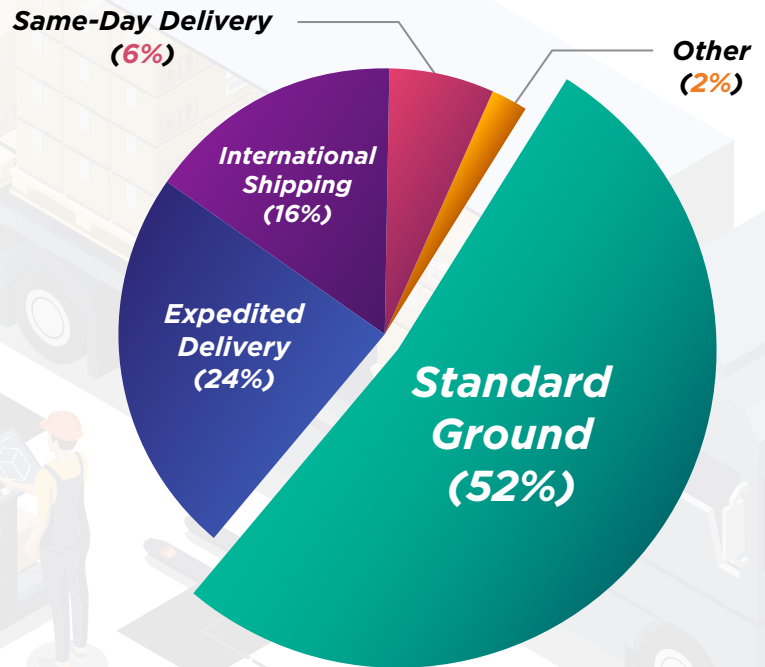
Why Ground?

Ground service provides a dependable, cost-effective baseline that allows shippers to lock in consistent performance and contains base costs across the majority of their fulfillment volume.

Same-Day Delivery (6%)

Other (2%)

International Shipping (16%)

Expedited Delivery (24%)

Standard Ground (52%)

Optimizing with Strategy and Tech

This strategic choice is being reinforced by national carriers who are actively transforming and expanding their ground networks. Initiatives like USPS Ground Advantage and similar efficiency improvements by other major carriers are closing the speed gap between premium air services and traditional ground delivery.

Progressive shippers are taking this one step further and implementing technology and strategies like Advanced Rate Shopping, which prioritizes delivery commitment date, not just service type. This is key because a simple ground shipment from a nearby DC could share the same Estimated Delivery Date (EDD) as an expensive next-day air service.

For example, a high-volume shipper may have an internal rule to use Next-Day Air for all shipments in a 200-mile radius to guarantee a Tuesday delivery. However, a platform utilizing an intelligent rate shopping engine will reveal that the standard carrier Ground service from that same DC already guarantees the package will arrive on Tuesday at a fraction of the cost. This data-driven approach allows shippers to meet customer expectations while avoiding unnecessary premium fees.
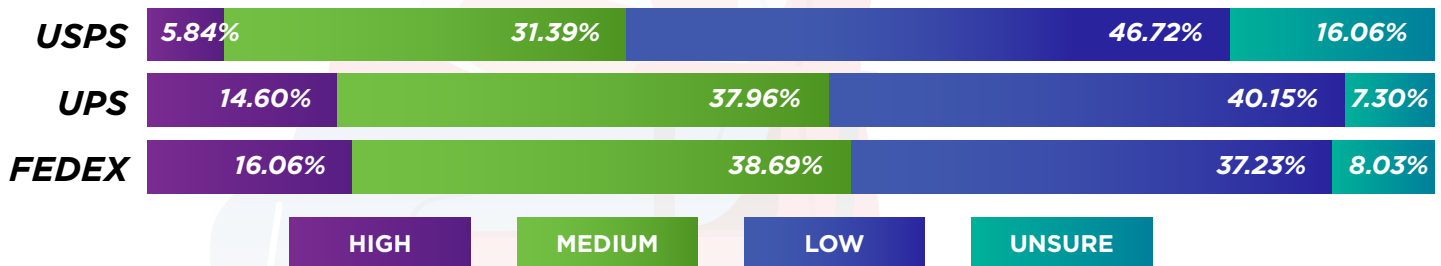
High-volume shippers are still strategically utilizing more expensive options like expedited, international, and same-day services, but only when speed or distance makes them necessary. This reflects an intelligent, data-driven approach to controlling costs that leverages the best of each service type without sacrificing overall performance.

Carrier Landscape Confidence

A deep and persistent lack of faith in the long-term intentions of national carriers is directly fueling diversification efforts across the industry. When asked about their confidence in the national carriers making changes that are fair and beneficial to shippers, responses reveal widespread skepticism, with no carrier achieving a "High" confidence rating above **16% (FedEx)**.

8. HOW CONFIDENT ARE YOU THAT (USPS, UPS, FEDEX) WILL MAKE CHANGES THAT ARE FAIR AND BENEFICIAL TO SHIPPERS?

	HIGH	MEDIUM	LOW	UNSURE
USPS	5.84%	31.39%	46.72%	16.06%
UPS	14.60%	37.96%	40.15%	7.30%
FEDEX	16.06%	38.69%	37.23%	8.03%

These results highlight a concerning gap in trust across the "Big Three".

The USPS has the highest level of shipper uncertainty in this area. While **47%** of shippers report "Low" confidence, the most notable data point is the high rate of "Unsure" responses (**16%**), which is nearly double that of UPS (**7%**) or FedEx (**8%**). This hesitation likely reflects the significant and ongoing organizational changes the USPS is undergoing, including new leadership with the new Postmaster General, a rebranding, and the rollout of new consolidated services like USPS Ground Advantage. Rather than outright skepticism, this high "Unsure" rate suggests shippers are actively waiting to see the full impact of these initiatives and how they play out before committing to a confidence level.

FedEx and UPS are closely matched across most confidence levels, reflecting their similar market position. While FedEx registers the highest "High" confidence at **16%**, both carriers struggle to gain majority trust, underscoring a pervasive lack of confidence in the big three carriers overall.

This environment of low confidence provides crucial context for the national carriers' recent network transformations. These efforts are designed to combat shipper diversification and restore confidence by delivering better value where it matters most: *balancing cost and delivery time*. Shippers clearly feel national providers prioritize their own bottom line, forcing them to continuously evaluate alternatives and expand their carrier networks to maintain leverage.
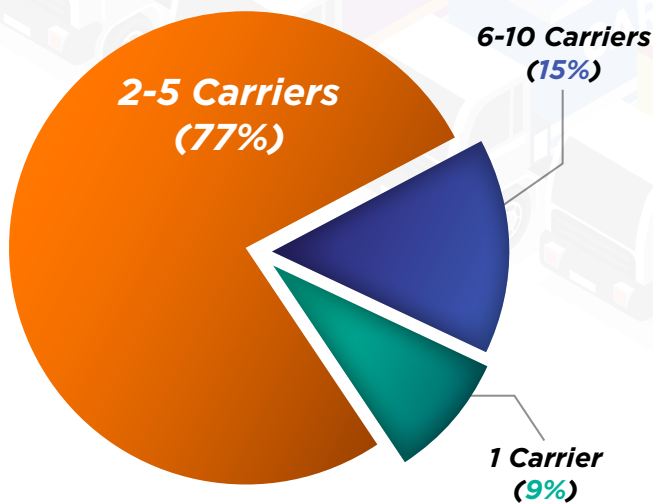
Network Expansion Trends

The low confidence in the major national carriers directly translates into a strategic, aggressive move toward carrier diversification and network expansion. Shippers aren't waiting to see the carriers change, they're taking control by expanding their networks.

Diversification and Carriers of Choice

The majority of high-volume shippers currently utilize **2–5 carriers** for their daily operations. However, a small portion of the market is actively expanding their use of carriers into the **6–10 range**. While we don't have YoY data around this data point, it remains to be seen if that will continue to grow or if it is plateauing. Whether this trend grows or stalls, one thing is clear: *the era of single-carrier reliance is over.*
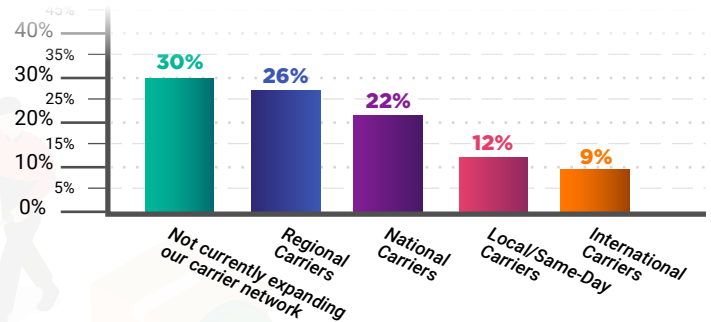
9. APPROXIMATELY HOW MANY DIFFERENT PARCEL CARRIERS DOES YOUR COMPANY ACTIVELY USE?

Pie chart:
- 2-5 Carriers (77%)
- 6-10 Carriers (15%)
- 1 Carrier (9%)

When looking at *where* shippers are expanding, regional carriers are the clear targets. These partners offer:

1. Cost Reduction: Reduced last-mile shipping costs compared to national carriers, especially in concentrated geographies, coupled with the fact that most don't have peak or demand surcharges.

2. Performance: Specialized service and faster delivery times within their service footprint.

3. Flexibility: A means of increasing total carrier count and controlling risk without major contract overhauls with nationals.

10. WHICH TYPES OF CARRIERS ARE YOU ADDING?

Bar chart:
- Not currently expanding our carrier network: 30%
- Regional Carriers: 26%
- National Carriers: 22%
- Local/Same-Day Carriers: 12%
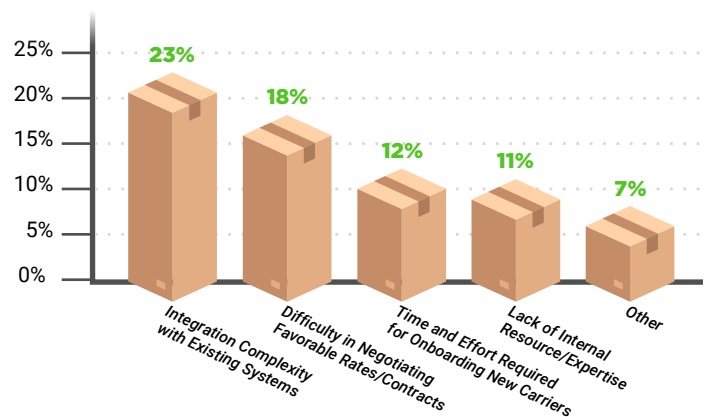- International Carriers: 9%

The #1 Barrier to Expansion: Integration Complexity

The data reveals a key disconnect: the single biggest obstacle preventing shippers from further expanding their carrier network is not cost negotiation or lack of internal resources. *It is Integration complexity with existing systems.*

The data reveals this technical hurdle is the single biggest reason companies do not expand their carrier networks, cited by **24%** of shippers overall. This is followed, at a distance, by Difficulty Negotiating Favorable Rates at **18%**.

This shift is a wake-up call: the bottleneck in carrier strategy is no longer purely for the procurement and negotiation teams but is moving more towards a technical level with the IT and operations teams.

11. WHAT IS THE SINGLE BIGGEST REASON YOUR COMPANY HAS NOT EXPANDED ITS PARCEL CARRIER NETWORK?

Bar chart:
- Integration Complexity with Existing Systems: 23%
- Difficulty in Negotiating Favorable Rates/Contracts: 18%
- Time and Effort Required for Onboarding New Carriers: 12%
- Lack of Internal Resource/Expertise: 11%
- Other: 7%

Industry Deep Dive: Retail vs. Manufacturing

This technical barrier is highly industry-specific:

- **Retail:** In this high-volume, quick-turn sector, **33%** of retailers cited Integration Complexity as their primary barrier. This far outweighs the **8%** who cited rate negotiation, suggesting that retailers' high parcel volumes secure favorable rates, leaving the technology challenge as the main obstacle to speed and flexibility.

- **Manufacturing:** This sector is more balanced, with Rate Negotiations (**23%**) actually surpassing Integration Complexity (**15%**). For manufacturers, whose shipments may be more specialized or less frequent, the difficulty of securing favorable rates appears to be a more pressing concern than the technical challenge of integration.

The bottom line confirms that for high-volume players, particularly retail, technical agility and integration solutions are now the make-or-break factors.

ACTIONABLE INSIGHT

Best Practices for Optimizing Your Carrier Mix and Managing Carrier Relationships

The finding that integration complexity is the top barrier to carrier diversification forces high-volume shippers to prioritize *technical agility* above all else. The most strategic guideline is to adopt technology that delivers maximum value by enabling real-time rating of all carriers and services to guarantee the lowest cost per shipment, while providing unified workflows and the ability to leverage a hybrid shipping engine approach. This hybrid model provides the most technical agility to fit your shipping profile, whether that means using on-platform engines for high-volume, high-speed warehouse operations or carrier APIs for a ship-from-store location.
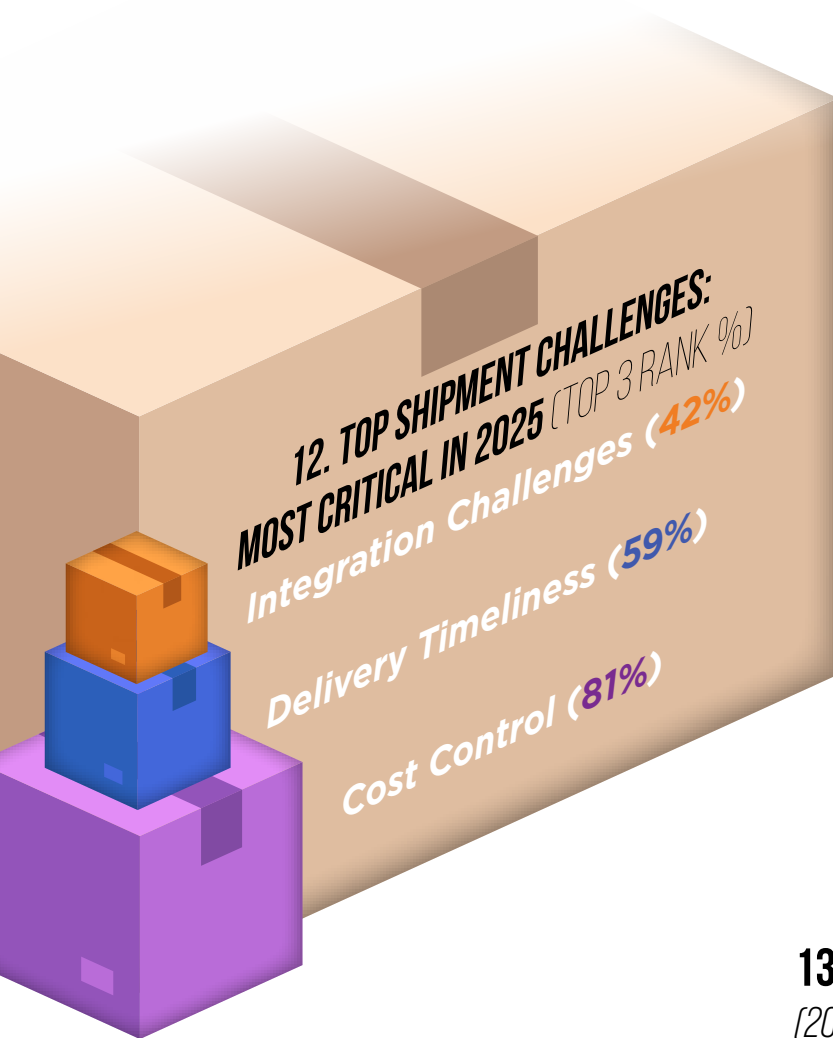
These advanced platforms centralize all carrier connectivity within a single system. By utilizing on-platform engines, they remove the need for constant, costly integration work across other parts of the Enterprise Software Stack (ESS), like the Warehouse Management System (WMS) or Enterprise Resource Planning (ERP) systems. This guarantees a single, pre-built pathway for real-time rate shopping and data flow, instantly unlocking a network of national, regional, and specialized carriers.

Such technical standardization empowers operations teams to onboard new partners in days, not months, ensuring that shippers can instantaneously shift volume to the most economical and reliable partner available. This flexibility is the only viable path toward truly dynamic cost control and regulation of risk in a volatile shipping environment.

CHALLENGES AND PRIORITIES

12. TOP SHIPMENT CHALLENGES: MOST CRITICAL IN 2025 *(TOP 3 RANK %)*

Integration Challenges (**42%**)

Delivery Timeliness (**59%**)

Cost Control (**81%**)

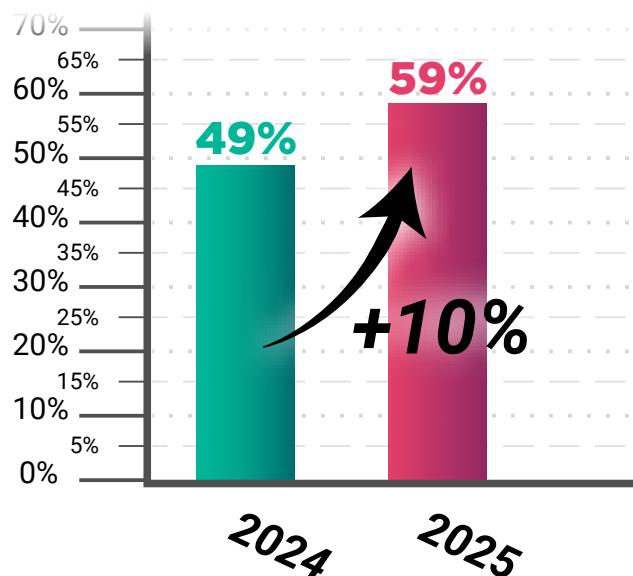*Familiar Challenges: Where Shippers Struggle*

In 2025, the shipping landscape is fragile, particularly when it comes to guaranteeing speed and capacity. The priorities you set, and the challenges you choose to solve, define whether you're playing catch-up or positioning yourself to win the market.

DELIVERY TIMELINESS ISSUES

Today, all shippers are feeling the pressure to hit a two-day window, but executing it at scale remains incredibly difficult. Delivery Timeliness Issues were cited by **49%** of shippers in 2024 and were ranked as a Top 3 Challenge by **59%** of respondents in 2025.

This 10-percentage point increase confirms that reliability and speed are escalating in criticality, even though the issue is still overshadowed by cost. This challenge is proof that while you shouldn't be aiming to be the new Amazon, you need more than just one or two big national players to guarantee service, demanding a dynamic, multi-carrier strategy to ensure performance on every lane.

13. DELIVERY TIMELINESS ISSUES: YOY INCREASES
(2024 vs 2025)

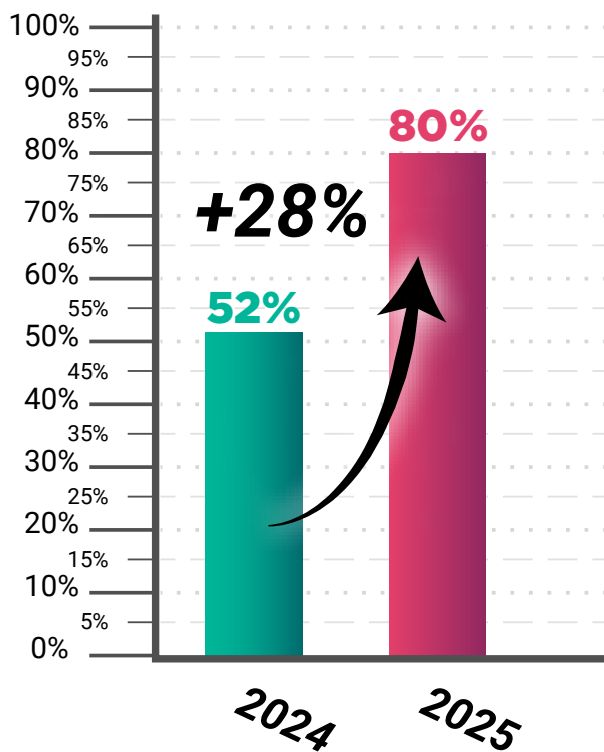**49%** (2024)

59% (2025)

+10%

COST CONTROL

In an environment defined by higher operating costs and rising surcharges, controlling shipping spend is non-negotiable. Cost Control was cited by **52%** of shippers in 2024 and was ranked as a Top 3 Challenge by a staggering **80%** of respondents in 2025.

This 28-percentage point leap proves that cost control is the most critical and dominant challenge facing high-volume shippers. Shippers aren't concerned with just getting a lower rate but achieving granular control. This could be from expenses driven by unexpected dimensional (DIM) weight charges, non-compliance fees, or inefficient fulfillment decisions. Cost has moved from a chronic headache to an existential threat. Without automation to catch errors in real-time, your profit margin is lost before the package even leaves the dock.

> *"Cost has moved from a chronic headache to an existential threat."*

14. COST CONTROL: YOY INCREASES
(2024 vs 2025)

THE ACCESSORIAL FEE PROBLEM

Accessorial fees are one of the most consistent sources of unplanned shipping costs when not using a multi-carrier shipping platform. These include fuel surcharges, residential delivery fees, delivery area and extended area charges, and penalties tied to incorrect manifest data. They often appear as line items after the fact and are frequently the result of incomplete or inaccurate shipment data. For high-volume shippers, these charges can quietly accumulate into millions of dollars each year.

Fuel surcharges are a prime example. UPS has adjusted its Ground fuel surcharge **nine times** in the past two years alone. These changes are tied to fluctuating fuel indices and are applied as a percentage of the base rate. For shippers without real-time visibility into these adjustments, the impact can be significant, especially when multiplied across thousands of packages per day.

Pre-shipment validation helps teams get ahead of these costs. By verifying shipment details before the label is printed, shippers can ensure that each package aligns with the carrier contract and avoids triggering unnecessary fees. This includes checking weight, dimensions, destination, and service level against both current rate cards and historical billing data. Certified shipping solutions can automatically return accurate accessorials, provided the data they receive is complete and correct.

Multi-carrier shipping platforms play a central role in this process by automating the steps above. Their core function is shipment execution, generating labels and selecting carriers efficiently. When integrated with tools that gather accurate real time data, these platforms can surface cost-impacting discrepancies in real time. Some systems also connect with dimensional scanners, address validation, and ERP or WMS platforms to reduce manual entry errors and improve data accuracy.

With this infrastructure in place, shipping operations have become more stable. Invoices reflect expected charges. Finance teams gain cleaner data and fewer exceptions and operations teams reduce manual rework and improve fulfillment accuracy, working from a shared source of truth. The result is a more predictable cost structure and a stronger foundation for scale.
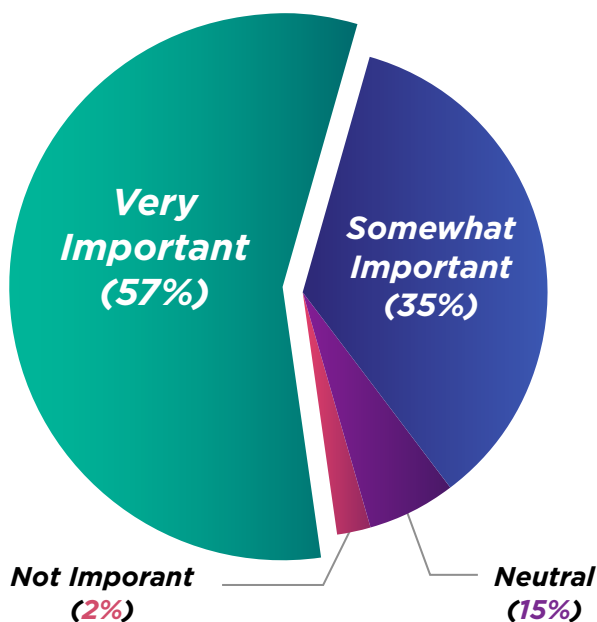
VISIBILITY AND TRACKING PROBLEMS

Another critical challenge is achieving end-to-end visibility into shipments. Nearly one-quarter of parcel shippers cite maintaining clear tracking visibility throughout the shipping journey as a significant hurdle. Poor tracking data hits hard: call centers flood, ops teams scramble, and delivery promises fall apart. It's not just about knowing where a package is. It's about using real-time data to prevent failures before they happen.

Additionally, incomplete or delayed tracking information leads to missed delivery promises and higher costs. The survey underscored this pain: when asked about factors crucial for supply chain control, a combined **40%** of respondents put "visibility/tracking" and "data accuracy" at the top of their priority list.

15. GRANULAR, REAL-TIME TRACKING DATA IMPORTANCE

Very Important (57%)

Somewhat Important (35%)

Not Imporant (2%)

Neutral (15%)

Companies feel held back by the limitations of basic tracking tools, which often provide inaccurate or siloed data. Robust, real-time visibility is a necessity to stay proactive and keep customers informed. The need for advanced tracking data is extremely high: **57%** of respondents rated access to highly granular, real-time tracking data as "Very Important" or "Extremely Important." The challenge isn't about simply knowing where the package is but using real-time data to prevent expensive service failures and improve strategic decision-making. To truly solve this, shippers need unified tracking data that standardizes and centralizes information from a multi-carrier network, eliminating reliance on disparate carrier websites.

Integration challenges with existing systems

Many shippers are also grappling with integration challenges as they attempt to connect new parcel solutions with legacy ERP, WMS, and OMS systems. About **20%** of respondents identified integration with existing systems as their most difficult challenge, and over **40%** placed it among their top three challenges. The complexity of linking multi-carrier shipping software, visibility platforms, and other solutions into a cohesive tech stack can be daunting.

In practice, tracking data often ends up trapped in disparate systems that don't communicate. This fragmentation forces IT teams into reactive mode, constantly building point-to-point integrations and manually reconciling data, which consumes valuable resources and delays critical initiatives. Disconnected systems trap tracking data and burn IT resources. Teams are stuck in reactive mode, building one-off fixes while strategic projects stall. These integration headaches underscore why data and systems issues feature so prominently in shippers' list of challenges.

Data accuracy and management across multiple carriers

Closely related to integration woes is the challenge of maintaining accurate, consistent data when using multiple carriers. High-volume shippers typically juggle a mix of national, regional, and last-mile carriers, each with its own tracking systems and data formats. Ensuring that information (like tracking status, delivery confirmation, costs, and performance metrics) is aggregated correctly is no small feat. Nearly **36%** of survey respondents ranked "data accuracy and management across multiple carriers" among their top three challenges. If your data's wrong, your decisions are too. And if you can't trust your data, you can't negotiate, optimize, or grow. Data silos and inconsistent information not only hinder day-to-day operational decisions but also erode leverage in carrier negotiations.

ACTIONABLE INSIGHT

Strategies to Address Top Challenges

The challenges of cost control and reliability are solved by real-time automation and decision-making. Manual carrier selection is dead. To stay competitive, you need real-time automation that finds the lowest-cost option and validates every delivery promise before the label prints.

To combat these challenges, shippers need control over both costs and delivery timelines. For proactive cost management, this means the system should automatically rate shop the available network in real-time to find the absolute lowest-cost carrier that still meets the required delivery window.

To meet delivery requirements, instantly validate a carrier's promised service against the delivery requirements for *every single package*.

STRATEGIC PRIORITIES: WHERE SHIPPERS ARE FOCUSING RESOURCES

The year-over-year data on strategic priorities reveals another change reinforced by other questions from the survey: *shippers are moving investments away from non-essential, long-term goals and funneling them into immediate efficiency gains and cost reduction.*

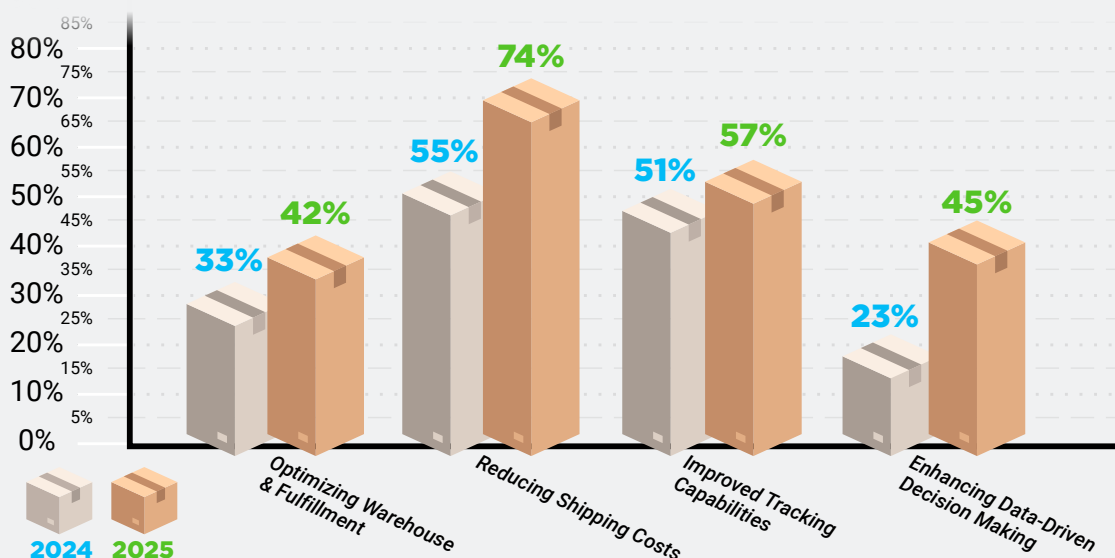### A Strong Riser: Optimizing Warehouse and Fulfillment Logistics

Aligning with the move toward data-driven fulfillment, the focus on internal efficiency is strong. Optimizing warehouse and fulfillment logistics rose from **33%** in 2024 to **42%** in 2025. Shippers are investing in faster, smarter warehouse logistics because inefficiency at the core breaks everything downstream.

Reducing shipping costs

Given the cost pressures outlined throughout this report, it's no surprise that cutting parcel shipping costs is the number-one business priority for virtually all high-volume shippers. Nearly three-quarters of respondents (about **74%**) ranked reducing shipping costs as their top priority for improvement, with an overwhelming majority placing it in their top three priorities. This represents a clear mandate: companies are aggressively seeking ways to shave off transportation spend through carrier rate shopping, contract negotiations, and efficiency gains.

Cost is the undisputed decision-maker in parcel operations today. Many organizations now view parcel shipping not just as a cost center but as an area to unlock savings that can protect margins. Common tactical focuses include optimizing service levels (e.g. using ground instead of air when possible), auditing invoices for billing errors, and implementing smarter rate shopping rules.

16. KEY STRATEGIC PRIORITIES: COST AND DATA FOCUS *(2024 vs 2025)*

This question was reformatted for 2025, so the 2025 figures represent the Top 3 Rank selected by respondents, while 2024 reflects the highest-rated.

Improved tracking capabilities

Alongside cost cutting, shippers are prioritizing major upgrades to their tracking and visibility tools. About **42%** of respondents placed improving tracking capabilities among their top three priorities for the coming year. This reflects a growing recognition that better visibility can drive both efficiency and customer satisfaction.

Basic tracking isn't enough. Shippers need real-time visibility to reroute shipments, alert customers, and stay ahead of delays before they become disasters. Shippers are seeking to move beyond basic carrier-provided tracking and invest in more granular, real-time visibility platforms that aggregate data across all carriers. In fact, **57%** of shippers said having access to highly granular, real-time tracking data is "very important" to their operations.
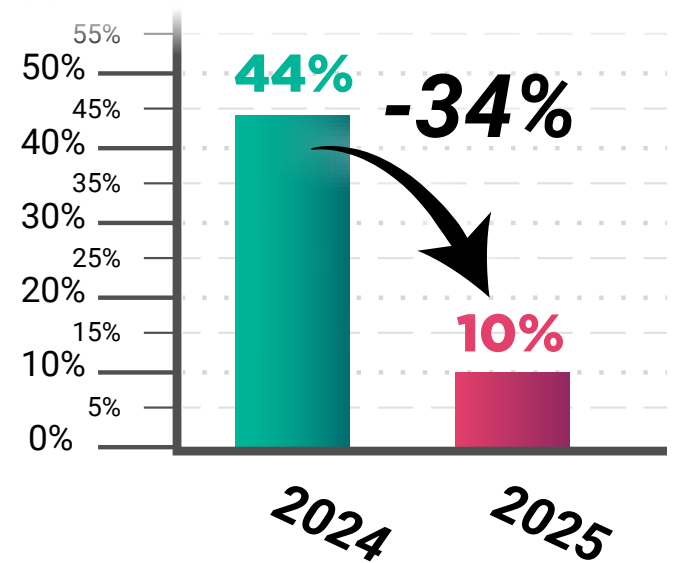
Enhancing data-driven decision making

Many parcel shippers are also striving to become more data-driven in their strategy and day-to-day operations. Enhancing data-driven decision making soared from **23%** in 2024 to **45%** in 2025, signaling strong interest in analytics and business intelligence capabilities. This priority goes hand-in-hand with improving data accuracy and visibility – once data is accessible and trusted, companies want to leverage it for smarter decisions. For example, shippers are keen to analyze parcel spend data to identify cost outliers, optimize carrier mix, and predict the impact of carrier rate changes.

Organizations that harness this data can negotiate better carrier terms (by understanding their package profile and surcharge exposure) and optimize operations by pinpointing inefficiencies. Shippers are using it to spot cost outliers, predict rate hikes, and negotiate smarter. The goal? *Replace gut calls with precision*.

The emphasis on data-driven decisions also ties into the rise of AI and machine learning tools that can crunch shipping data to reveal patterns or recommend optimal actions. High-volume shippers are looking to shift from gut-based or reactionary management to a culture of data-informed strategy.

17. SUSTAINABILITY EFFORTS: YOY PRIORITY SHIFT

This question was reformatted for 2025, so the 2025 figures represent the Top 3 Rank selected by respondents, while 2024 reflects the highest-rated.

Increased sustainability efforts

Environmental sustainability is a growing topic in logistics, but the survey suggests it is a secondary priority for parcel shippers in 2025. Only about **10%** of respondents placed "increased sustainability efforts" among their top three priorities, and virtually none selected it as the number-one focus. This relatively low ranking indicates that amid intense cost and service pressures, green initiatives, such as reducing carbon emissions or using eco-friendly packaging, have taken a back seat for many shippers.

That said, external drivers (customer expectations, corporate ESG goals, and regulations) are gradually pushing sustainability onto the agenda. Some leading companies are exploring alternatives like electric delivery vehicles, carbon offset programs, and packaging optimization to eliminate waste. Initiatives that cut waste or fuel usage often yield cost savings and brand benefits in the long run. But smart shippers know that cutting waste and fuel use isn't just good PR, it's good business. The ones investing now will be ready when the mandate arrives.
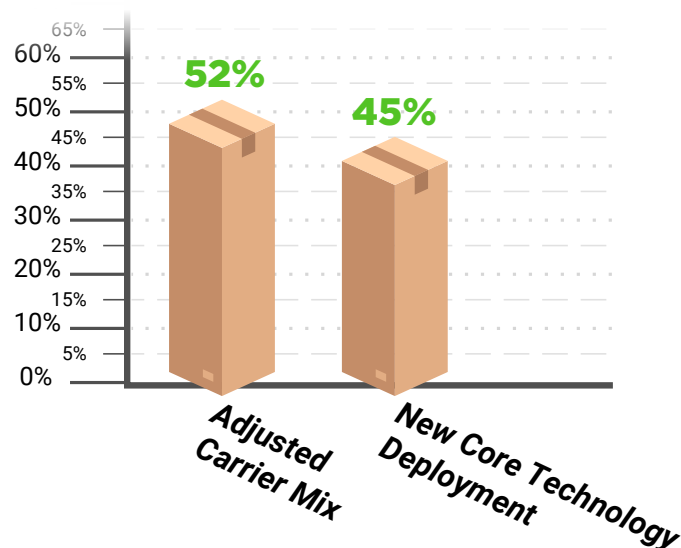
TECHNOLOGY AND INNOVATION

THE DISCONNECT

Shippers are inherently risk-averse. Their technology choices reflect a willingness to tolerate increased operational complexity only when they believe it will deliver stability, superior performance, or cost savings. This creates a dichotomy between optimizing for maximum control, stability, and low-latency performance (typically found with premise-based solutions) versus minimizing the overall IT maintenance burden (found with cloud-based solutions).

THE IMMEDIATE, TACTICAL RESPONSE

High-volume shippers are making immediate, tactical changes aimed at optimizing their operational stability and controlling costs, even if it introduces complexity. We asked high-volume shippers about the concrete changes they made in the last 12 months to improve operations. Adjusting carrier mix and deploying new tech are signs of a market in motion, where cost control and operational stability outweigh simplicity.

The top two actions are adjusted carrier mix (**48%**) and new core technology deployments (**45%**), and they show that the industry is in a heavy state of operational churn.

18. TOP ACTIONS FOR RECENT CHANGES TO PARCEL SHIPPING OPERATIONS TO ADDRESS CHALLENGES OR IMPROVE EFFICIENCY (LAST 12 MONTHS)

The **48%** of shippers who adjusted their carrier mix is an indicator of immediate cost containment and risk mitigation efforts. This move toward carrier diversification helps shippers hedge their bets against rate hikes and capacity constraints. They are accepting the accompanying operational complexity, managing more data and carrier performance metrics, because they believe the immediate cost controls and risk mitigation benefits are worth the effort.

This pursuit of direct performance and control is further solidified by the patterns of their technology investment. **45%** of respondents invested in new core technology deployments, encompassing WMS, ERP, OMS, TMS, and Shipping Software. This reflects a broader push for end-to-end systemic orchestration. Given the move to multiple distribution centers and complex 3PL/Distribution structures mentioned previously, shippers realize that their entire enterprise software stack must communicate flawlessly to enable cost-optimized routing and rating.

Crucially, they are strengthening this core tech stack while only **7%** are migrating to cloud infrastructure. This discrepancy shows that shippers are preserving their most stable core systems on-premise. For critical functions, the minimal transaction latency and physical control over proprietary data offered by a premise-based environment are believed to guarantee stability.

Emerging Tech

Another strategic priority, closely tied to data and cost goals, is investing in emerging technologies to future-proof parcel operations. Shippers are actively evaluating innovations such as AI-driven optimization, automation in warehouses, and advanced parcel analytics. The survey asked which emerging technologies will have the biggest impact on parcel shipping in the next 3–5 years, and the results highlight a few frontrunners.

Artificial intelligence for route optimization was the most cited technology, comprising about **35%** of all selections, far more than any other single technology. In practice, this refers to AI-based systems that dynamically plan shipping routes or carrier selection to minimize cost and transit time. The next most popular area is parcel analytics (about **28%** of tech mentions), reflecting interest in deeper data insights and predictive analytics on shipping trends. Also notable is the focus on packaging automation – about one-fifth of mentions were for "right-size boxing" automation, and about 18% for cartonization software. These responses are likely because smarter routing means faster delivery and lower costs. Shippers are betting on parcel analytics and packaging automation to cut waste and boost efficiency. These solutions are seen as the next competitive edge.

The emphasis on automation and AI aligns with last year's findings as well, where **36%** of shippers had named automation as a top priority for the future. Parcel shippers see technology investment as a key to solving their challenges: from controlling costs with smarter algorithms to gaining agility through automation. Adopting the right emerging tech is viewed as essential for staying competitive in the rapidly evolving parcel environment.

THE DEPLOYMENT LANDSCAPE

When we look at the strategic outlook for the cloud, the market is almost perfectly divided. We are at a tipping point where a slight majority has committed to cloud-based operations, but a significant portion still holds out.
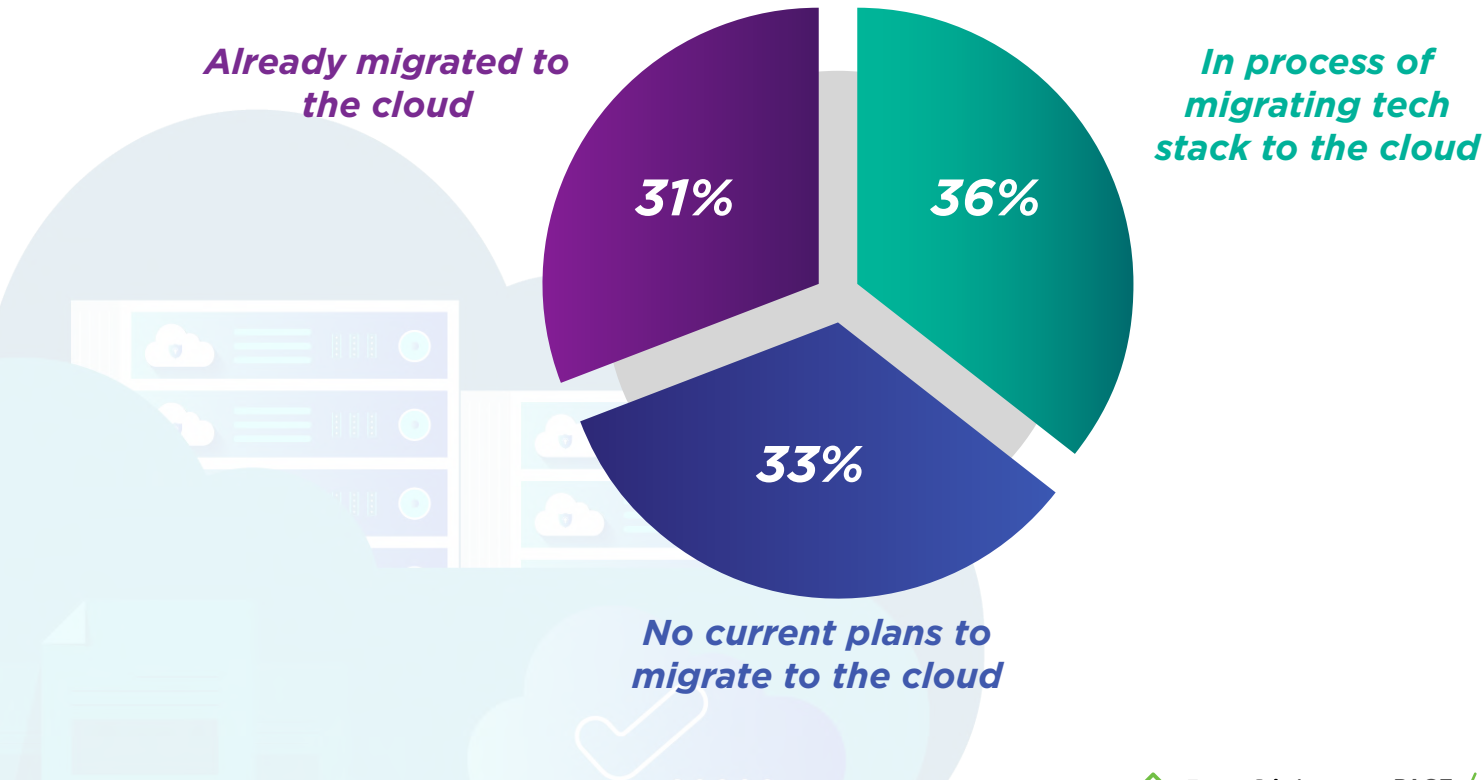
The data is clear: the industry is split into roughly equal groups. A solid third (**30%**) has already cleared this hurdle. The largest single group (**35%**) is currently in the middle of migration. That **65%** total is the competitive benchmark actively moving towards a more flexible, scalable environment.

The **33%** who reported having no current cloud migration plans represent the cohort prioritizing absolute control. These shippers recognize that while premise-based solutions offer stability, they also bring a heavy burden on the shipper. The in-house IT team must shoulder the responsibility for replacing hardware, managing security patches, operating systems, and network integrity.

Conversely, the **65%** currently migrating or already migrated to the cloud are prioritizing the *perceived* benefits of cost-cutting and simplification, a lower IT maintenance burden. Cloud-based solutions reduce internal IT overhead by offloading infrastructure and security tasks. However, cloud integration can require more work to connect with existing systems, and they must be maintained as technologies evolve.

Ultimately, the best fit is determined by a company's unique priorities. A good vendor should work with the shipper to determine the best fit for their current needs. Better yet, a vendor that supports *both* premise and cloud allows a shipper to make the necessary strategic choice today while retaining the flexibility to transition between solutions as its business needs, security requirements, and operational goals change over time.
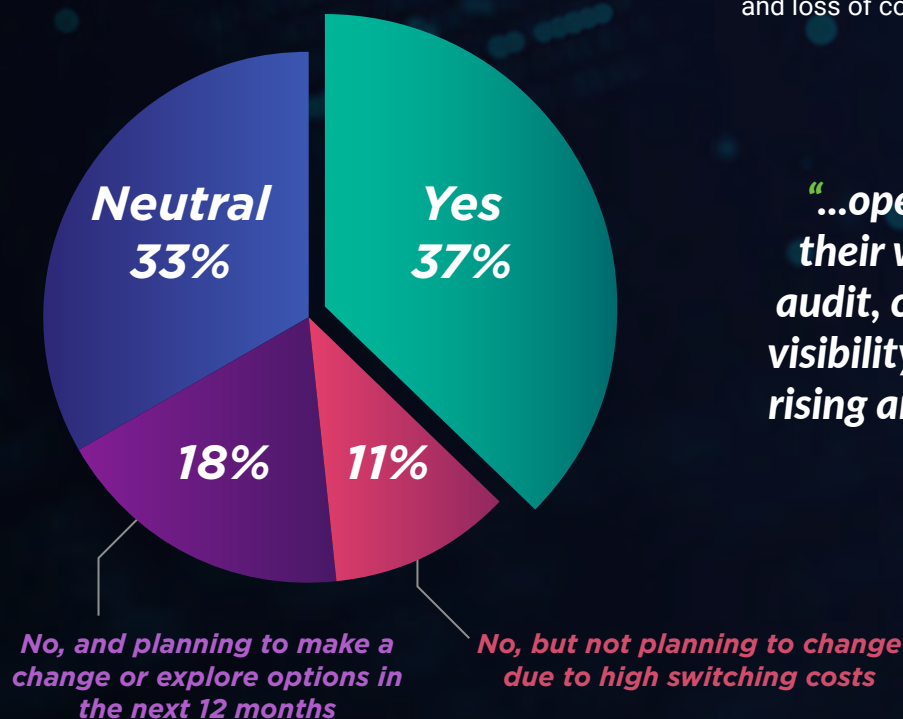
19. 2025 CLOUD COMMITMENT

Already migrated to the cloud — 31%

In process of migrating tech stack to the cloud — 36%

No current plans to migrate to the cloud — 33%

Freight Audit and Pay Management

As established, cost control is the top priority (**88%**), and shippers are aggressively diversifying their carrier mix (**54%**) to achieve it. This strategy, while essential, introduces a new layer of financial complexity. When you deal with multiple contracts, tariffs, and accessorial fees, the opportunity for carrier billing errors, and the risk of overpaying, rises dramatically.

While freight audit and pay management (FAP) isn't always front and center in strategic planning, the data reveals a quiet but persistent source of dissatisfaction. Only **37%** of high-volume shippers report being satisfied with their current solution, leaving nearly two-thirds either neutral or actively unhappy.

This dissatisfaction is especially relevant in the context of multi-carrier strategies. As shippers expand their carrier networks, the complexity of managing spend across multiple partners grows exponentially. FAP tools, when paired with robust analytics, can help quantify the cost benefits of adding a second or third carrier, identify billing discrepancies, and even strengthen negotiation leverage by exposing rate inefficiencies.

This signals a market opportunity: shippers are open to better tools, but only if the value clearly outweighs the disruption. For solution providers, you must deliver measurable ROI, simplify onboarding, and reduce switching friction.

The data here underscores a broader theme across the whole report: operational tools must *prove their worth*. Whether it's freight audit, carrier selection, or tracking visibility, the bar for performance is rising and "sufficient" may no longer be enough.

E-commerce + Drop Shipping

E-commerce keeps growing and shippers are feeling the pressure. To keep up, many are exploring drop shipping and new partnerships to meet rising customer expectations. Drop shipping – shipping directly from a manufacturer or supplier to the end customer, bypassing the retailer's warehouse – offers a way to expand product offerings and reduce inventory costs. However, the survey indicates that adoption of drop shipping in high-volume operations is still fairly limited.

Nearly **43%** of respondents said that 0% of their parcels are fulfilled via drop shipping, and another **~20%** have only **1–10**% of orders drop-shipped. Despite the buzz, drop shipping hasn't taken hold in high-volume operations. Most shippers still lean on DCs and 3PLs and only a handful use drop shipping for more than half their orders.

As e-commerce demands broader assortments and faster delivery, drop shipping could become a key lever. But for now, it's underused and shippers cite integration headaches and loss of control as reasons to tread carefully.

20. ARE YOU SATISFIED WITH YOUR CURRENT FREIGHT AUDIT AND PAYMENT OR PARCEL SPEND MANAGEMENT SOLUTION?

Neutral
33%

Yes
37%

18%

11%

No, and planning to make a change or explore options in the next 12 months

No, but not planning to change due to high switching costs

"...operational tools must prove their worth. Whether it's freight audit, carrier selection, or tracking visibility, the bar for performance is rising and 'sufficient' may no longer be enough."

PROSHIP CUSTOMER DEEP DIVE

It's easy to get lost in feature comparisons and architectural debates. But the truth is, technological decisions are rarely about the technology itself. *They're about people.* This section looks closer at the unique qualities of the ProShip customer base*, which represents 41% of the total survey respondents, diving into the organizational dynamics, internal pressures, conflicting goals, and personal priorities that drive an organization's shipping. By amplifying the voice of our customers, we gain critical insights that guide us in refining our solutions to elevate parcel shipping across the entire industry, backed by our decades of enterprise shipping expertise.

Data Definition: All percentages reflect the proportion of the total survey respondent base that selected a specific option (including multi-select responses where applicable).

Who's Really Making the Shipping Decisions?

If your shipping operation feels more like an IT project than logistics, you're not imagining it. The data below shows that the people making major supply chain technology decisions are shifting, and that has serious implications for system stability, integration, and budget ownership.

Departmental Ownership

This data confirms the ground truth: *the conversation about shipping is moving from the warehouse floor to the tech stack.* If you're running a high-volume operation, your systems must be enterprise-grade.
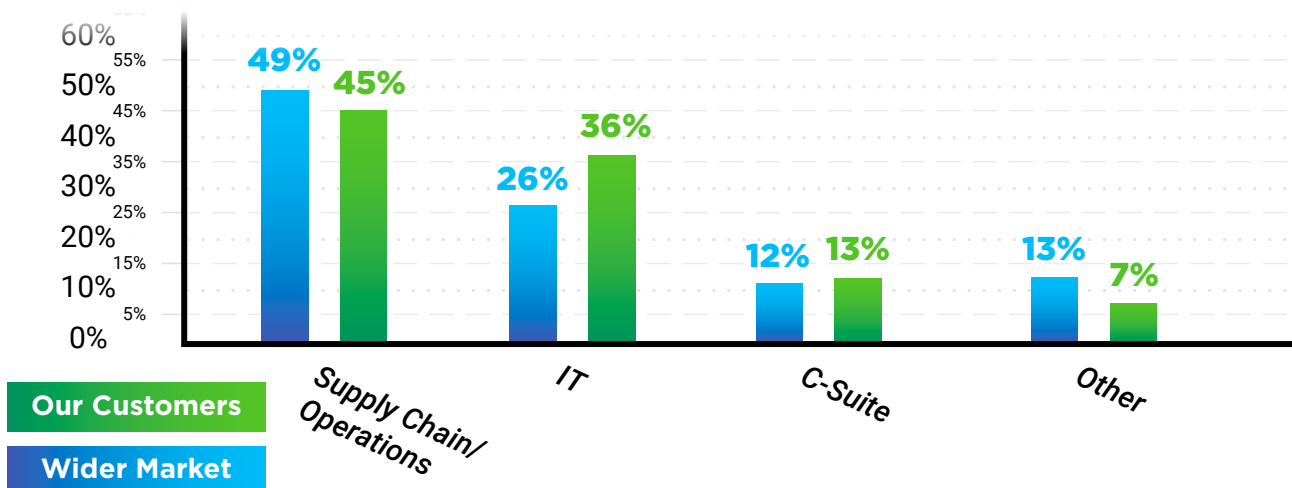
Operations is Still the End-User: Operations professionals still hold the largest share (**45%**), meaning the solution still needs to deliver immediate, tangible value to the supply chain team. The new challenge is finding solutions that satisfy both the Ops manager's need for speed and timeliness and the IT team's need for control, highlighting the necessity of a solution that provides strategic flexibility to both groups.

IT is the Strategic Anchor: The single biggest trend is that IT ownership jumped from **24% to 36%** in our user community in one year. While the industry increasingly promotes low-code tools to reduce IT dependency, the high volume and complexity handled by the ProShip customer base dictates a different reality. This significantly higher IT involvement (**36% vs. 26% in the wider market**) indicates that the most successful shippers treat shipping as a mission-critical system that requires IT control for stability, seamless integration, and long-term security. This is not a technical burden but a sign of operational maturity and a confidence in complexity.

The Executive Case: The wider market involves the C-Suite more often (**13% vs. our 7%**). This means outside of our tech-forward base, companies still often require a higher-level, strategic business case to commit to a complex solution. If you need executive buy-in, frame your solution around risk reduction, total cost of ownership (TCO), and business value, rather than getting into the weeds with operational details like specific features, as C-level audiences prioritize business outcomes.

"The ProShip platform is rapidly becoming the hub for omnichannel, distribution-heavy operations."

21. WHAT DEPARTMENT DO YOU WORK IN?

Bar chart showing departments. Legend: Our Customers (green), Wider Market (blue).
- Supply Chain/Operations: 49% (Wider Market), 45% (Our Customers)
- IT: 26% (Wider Market), 36% (Our Customers)
- C-Suite: 12% (Wider Market), 13% (Our Customers)
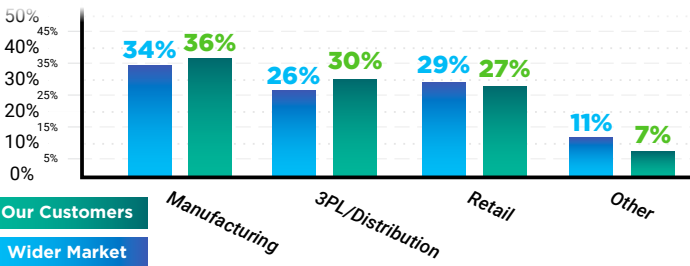- Other: 13% (Wider Market), 7% (Our Customers)

This is just a portion of ProShip customers and is not representative of the full ProShip customer base.

Industry Complexity and Business Model Shifts

Shipping complexity is tied directly to the underlying business model. We're seeing a shift among our customers, with a significant increase in 3PL/distribution and manufacturing. The ProShip platform is rapidly becoming the hub for omnichannel, distribution-heavy operations. This means our shipping solutions must be designed not just for high parcel volume, but for the inherent complexity of multiple fulfillment location rules, high-value shipments, and regulatory compliance.

22. IN WHICH INDUSTRY DOES YOUR COMPANY OPERATE?

The 3PL/Distribution Surge: The most critical change is the 3PL/distribution segment in our customer base more than doubled, jumping from **14% to 30%** in one year. This segment is hyper-focused on managing complexity from different client rules and varied labeling demands to dynamic carrier contracts. If your operation is expanding its distribution network or taking on fulfillment for other brands, this new peer group is now your benchmark for mastering intricate shipping environments with precision and control.

The Rise of Manufacturing: We've seen a slight increase in manufacturing (**31% to 36%**), which means our customer base is handling more high-value, complex, and regulation-heavy shipments. This rise also reflects a significant number of manufacturers adopting a Direct-to-Consumer (DTC) model, requiring enterprise-grade solutions to handle retail-level fulfillment alongside their typical B2B shipping. If your shipments require specific handling or compliance, you need the tenure and experience of a partner with the pedigree to guide your best practices.

Retail is Diversifying: The retail share has dropped from **38% to 27%** in our customer base, mirroring the industry's drop from **35% to 29%**. Crucially, this points to an industry-wide decline in pure-play retail shipping, not just in our customer base. But this isn't a retreat, it shows that companies that used to be pure-play retail are now transitioning into hybrid 3PL/distribution models to optimize assets and capture new revenue. If you're a retailer, you should be asking if your current systems can handle an omnichannel fulfillment model and offer the choice and flexibility to evolve with your strategy.
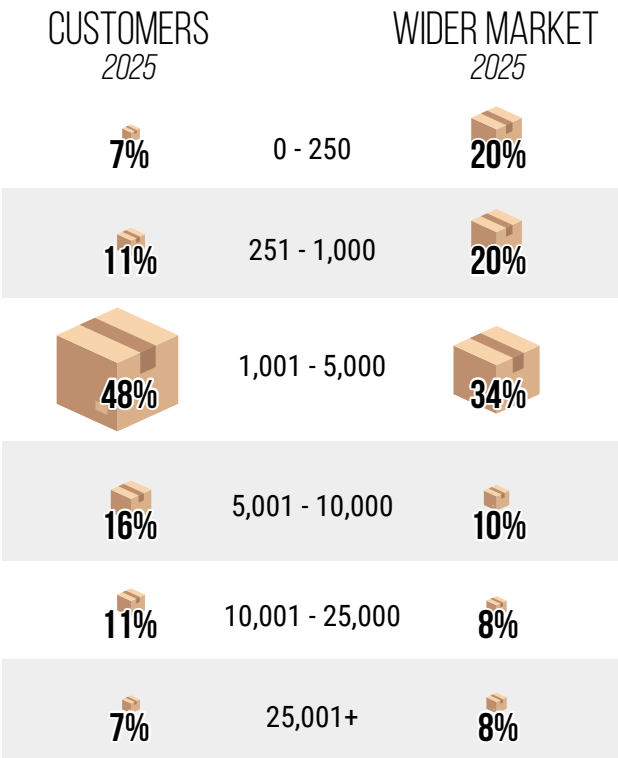
Leading in Complexity: We now lead the 2025 market in both manufacturing (**36% vs. 34%**) and 3PL/distribution (**30% vs. 26%**). This validates that our users are driving the most complex, high-performance fulfillment operations in the market.

Average Daily Parcel Volume: The Automation Sweet Spot

Understanding where the bulk of daily activity falls is crucial for sizing technology and optimizing resources. The market is consolidating its efforts within the mid-to-high volume tiers. This forces a renewed focus on scalable system throughput where every millisecond saved per label translates to massive cost savings.

The Scaling Zone: The most profound difference is the concentration of volume in the crucial mid-volume tier. Over **48%** of the ProShip customer base is in the 1,001–5,000 daily volume tier, a segment that requires stability and advanced automation. This is **14%** higher than the wider industry's focus on this sweet spot (**48% vs. 34%**). This is the strategic Implication: Our customer base is consolidating its efforts on maximizing throughput and profit within the scalable mid-high tier. If you are operating here, your tolerance for downtime is virtually zero, and your peers are setting the benchmark for automated, high-throughput systems designed to handle this volume range efficiently.

23. ON AVERAGE, HOW MANY PARCELS DOES YOUR COMPANY SHIP PER DAY?

CUSTOMERS 2025		WIDER MARKET 2025
7%	0 - 250	20%
11%	251 - 1,000	20%
48%	1,001 - 5,000	34%
16%	5,001 - 10,000	10%
11%	10,001 - 25,000	8%
7%	25,001+	8%

The New Focus: Our community is moving away from the smallest and largest shippers, becoming more concentrated in the 1,001–10,000 volume band. This means our shared operational focus should be on extreme stability performance and solving peak-day spikes within this massive central range.

In 2025, over **59%** of our customer base is in the 1,001–10,000 range, compared to only **44%** in the wider market. The ProShip platform is performance-proven in demanding, high-throughput environments where speed and automated decision-making are not optional.

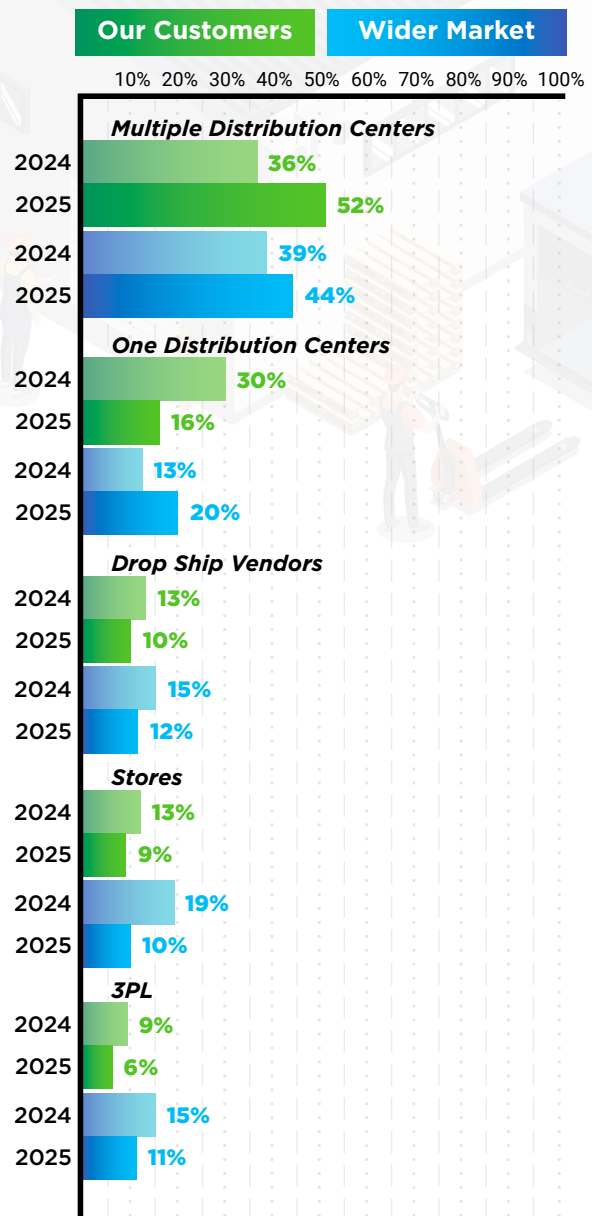## *Fulfillment Locations: The Omnichannel Mandate*

In the race for delivery speed and reduced costs, the era of the single distribution center is ending. The multi-fulfillment mandate is now the reality: high-volume shippers are transitioning away from centralized operations.

This requires technology that can intelligently manage multi-origin rate shopping and precise order orchestration from any point in the network, empowering the business with choice.

Multi-Origin Optimization is the Standard: The number of customers leveraging multiple distribution centers soared from **36% to 52%** in one year. This rapid shift, combined with the sharp drop in reliance on a single distribution center (**from 30% to 16%**), is the key operational takeaway. The ProShip customer base is **8%** more likely to run an omnichannel network than the wider industry (**52% vs. 44%**). If you're still relying on a single distribution center, you are putting your operation at increasingly high risk and becoming slower than your competitors. Shipping solutions are now critical infrastructure for cost-optimized carrier selection across geographically dispersed sites.

Prioritizing Internal Control: While the omnichannel mandate dictates using all fulfillment locations when necessary, the ProShip customer base maintains a lower reliance on external fulfillment partners. Our customers use 3PLs **5%** less (**6% vs. 11%**) and stores **1%** less (**9% vs. 10%**) compared to the wider market. This suggests that our customers often prefer to maintain internal control over their fulfillment processes, reinforcing the necessity of high-performance solutions that put the shipper squarely in control of execution and amplify their carrier freedom.

24. FROM WHICH LOCATION(S) DO YOU FULFILL YOUR PARCEL SHIPPING?

Our Customers | **Wider Market**

10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Multiple Distribution Centers
- 2024: 36%
- 2025: 52%
- 2024: 39%
- 2025: 44%

One Distribution Centers
- 2024: 30%
- 2025: 16%
- 2024: 13%
- 2025: 20%

Drop Ship Vendors
- 2024: 13%
- 2025: 10%
- 2024: 15%
- 2025: 12%

Stores
- 2024: 13%
- 2025: 9%
- 2024: 19%
- 2025: 10%

3PL
- 2024: 9%
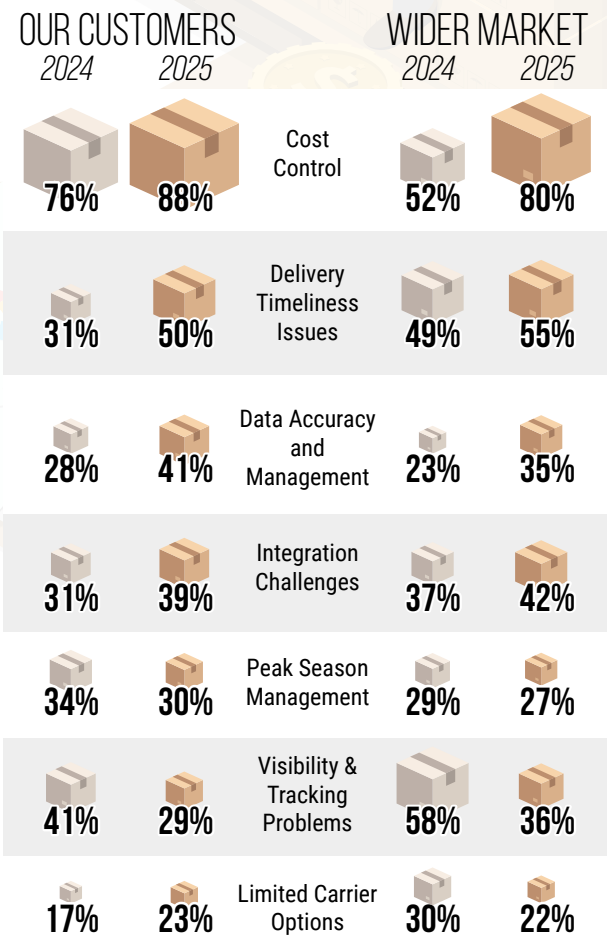- 2025: 6%
- 2024: 15%
- 2025: 11%

Customer Challenges

The ultimate test of any solution is its ability to address the customer's most pressing pain points. While cost control is the overwhelming mandate, the dramatic rise in concern over data accuracy signifies that operational efficiency is now an information problem.

25. WHAT ARE THE BIGGEST CHALLENGES YOU FACE IN YOUR CURRENT PARCEL SHIPPING OPERATIONS?

	OUR CUSTOMERS			WIDER MARKET	
	2024	2025		2024	2025
Cost Control	76%	88%		52%	80%
Delivery Timeliness Issues	31%	50%		49%	55%
Data Accuracy and Management	28%	41%		23%	35%
Integration Challenges	31%	39%		37%	42%
Peak Season Management	34%	30%		29%	27%
Visibility & Tracking Problems	41%	29%		58%	36%
Limited Carrier Options	17%	23%		30%	22%

This question was reformatted for 2025, so the 2025 figures represent the Top 3 Challenges selected by respondents, while 2024 reflects the highest-rated concerns.

The Cost Crisis: Cost control is the single, overwhelming challenge, identified by **88%** of our customers, a 12-point increase from 2024 (**76%**). The wider industry also places cost at the top (**80%**). This is a defensive strategy driven by persistent carrier rate hikes and macroeconomic pressures. Operational survival is now synonymous with cost optimization.
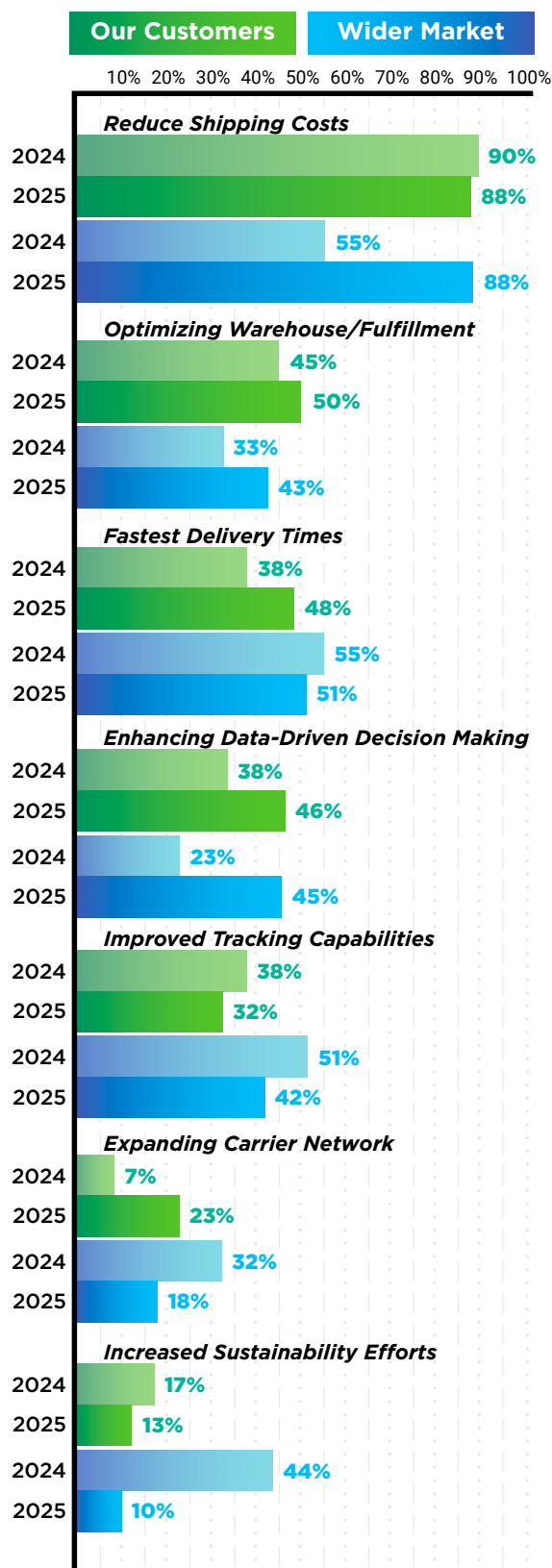
The Pivot From Visibility to Data Integrity: The most insightful shift is the dramatic rise of data accuracy and management across multiple carriers as a challenge, which soared from **28% to 41%** for customers. At the same time, the concern over visibility/tracking problems dropped from **41% to 29%**. This suggests that shippers no longer struggle just to find the package (visibility), they are now struggling to ensure the data required to make cost-saving decisions is clean, accurate, and harmonized across their multiple carriers and distribution network. The foundational problem has moved from "Where is my box?" to "Is the data I'm using to process this box reliable?"

Delivery Speed and System Flexibility are Rising: The concern over delivery timeliness issues surged from **31%** to **50%** for customers, showing the intense pressure to meet consumer expectations for speed. While the wider market feels this pressure more (**55%**), the ProShip customer base faces intense pressure to meet consumer speed expectations. This reinforces the necessity of utilizing multiple fulfillment locations and systems that can instantly optimize for delivery promise and cost.

Enterprise-Grade Integration: Integration challenges remain a major organizational concern as shippers continuously upgrade their core systems (WMS, ERP, OMS, TMS,). Crucially, the ProShip customer base cites fewer integration challenges (**39%**) than the wider industry (**42%**). This competitive gap confirms that shippers who choose scalable, robust solutions like ProShip successfully mitigate integration risk, ensuring the shipping system integrates seamlessly with the entire tech stack.

26. WHAT ARE YOUR TOP PRIORITIES FOR IMPROVING YOUR PARCEL SHIPPING OPERATIONS?

Our Customers | **Wider Market**

10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Reduce Shipping Costs
- 2024: 90%
- 2025: 88%
- 2024: 55%
- 2025: 88%

Optimizing Warehouse/Fulfillment
- 2024: 45%
- 2025: 50%
- 2024: 33%
- 2025: 43%

Fastest Delivery Times
- 2024: 38%
- 2025: 48%
- 2024: 55%
- 2025: 51%

Enhancing Data-Driven Decision Making
- 2024: 38%
- 2025: 46%
- 2024: 23%
- 2025: 45%

Improved Tracking Capabilities
- 2024: 38%
- 2025: 32%
- 2024: 51%
- 2025: 42%

Expanding Carrier Network
- 2024: 7%
- 2025: 23%
- 2024: 32%
- 2025: 18%

Increased Sustainability Efforts
- 2024: 17%
- 2025: 13%
- 2024: 44%
- 2025: 10%

* This question was reformatted for 2025, so the 2025 figures represent the Top 3 Challenges selected by respondents, while 2024 reflects the highest-rated concerns.

Customer Priorities

Cost Reduction is the Ultimate Goal: Matching the wider market, reducing shipping costs remains the overwhelming, non-negotiable priority for **88%** of our customers. This confirms that all other operational and technology initiatives are ultimately measured against their ability to deliver cost savings. Our platform delivers this through advanced date shopping, dynamic business rule application, and carrier volume balancing, ensuring maximum cost control on every package.

The Focus on System Efficiency is Intensifying: Optimizing warehouse and fulfillment logistics remains a critical focus, slightly increasing for customers from **45% to 50%** in 2025. The ProShip customer base prioritizes optimizing warehouse and fulfillment logistics **7%** higher than the wider market (**50%** vs. **43%**). This is a direct response to the complexity of omnichannel fulfillment. This shows that the **45%** core technology investment (Tech and Innovation) is actively being driven by the need to squeeze efficiency from the operational floor, which ProShip supports with flexibility to customize your shipping processes, from deployment to execution, resulting in streamlined operations, reduced costs, and higher customer satisfaction.

Data-Driven Decisions Emerge as a Core Priority: The most important strategic priority shift is the steep rise in enhancing data-driven decision making (Customer: **38% to 46%**; Industry: **23% to 45%**). This aligns perfectly with the challenge of data accuracy in Chart 25 (**41%**). Shippers are realizing that they cannot successfully navigate cost control mandates without accurate, actionable data feeding their systems. They need tools that offer analytics and robust reporting to ensure every shipment is optimized. ProShip enables this shift by providing centralized shipping data, access to robust reporting tools, and partners with Business Intelligence analysis to track performance, identify cost leaks, and validate carrier billing.

The Declining Importance of General Tracking: Mirroring the challenge data, improved tracking capabilities has dropped in priority for the wider industry (**51% to 42%**) and slightly for customers (**38% to 32%**). This again confirms that the market views basic tracking as largely solved and that the focus is now on the upstream data problems (data accuracy and management from Chart 25) that enable true fulfillment optimization.

Tech & Innovation

What are shippers actually doing to solve these problems? This data reveals their investment strategy. Shippers are prioritizing foundational infrastructure, core technology upgrades, and aggressive carrier mix adjustments, as the primary levers for control and mitigating costs.
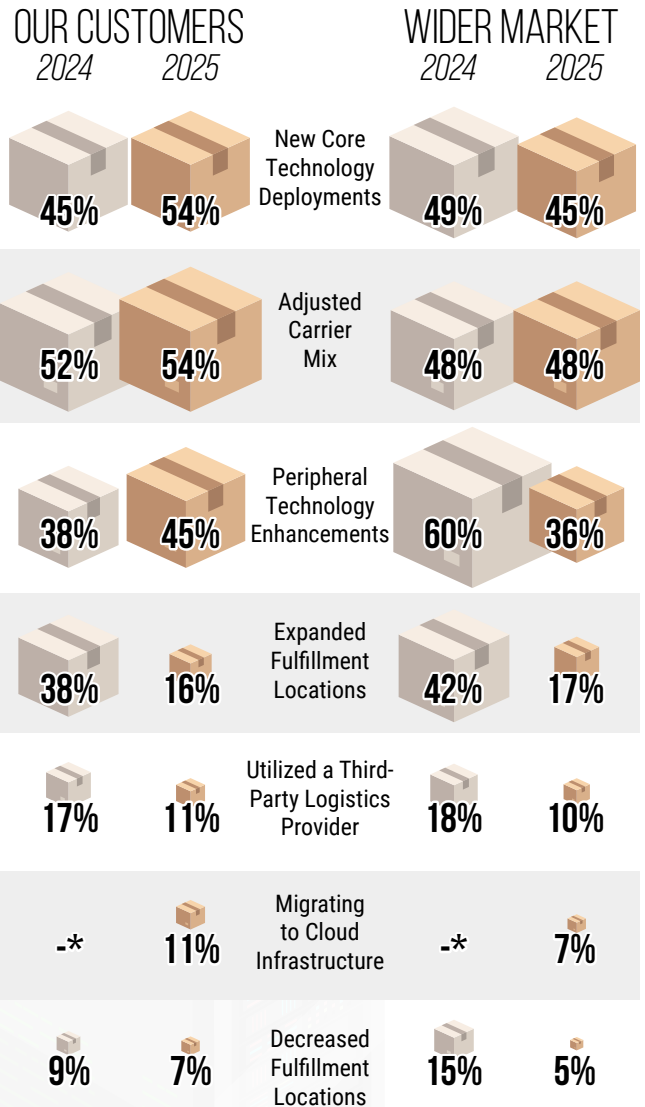
Core Technology is the Priority: The ProShip customer base is far more aggressive in upgrading its foundational software: **54%** of customers deployed new core technology, significantly higher than the **45%** of the wider market. This confirms that the most sophisticated shippers are leading the charge to overhaul their Enterprise Software Stack (ESS), including WMS, ERP, OMS, TMS, and Shipping Software.

Simultaneously, **54%** are adjusting carrier mix. This requires a solution that simplifies the added complexity, with ProShip acting as the stable hub that guarantees high-speed stability and easy integration with every new core system.

Optimization over Expansion: The most telling change related to infrastructure is the sharp drop in expanded fulfillment locations (from **38%** in 2024 to **16%** in 2025) for customers. This suggests that our customer base has largely completed their initial phase of DC buildouts. The current focus is no longer on *building* new fulfillment locations, but on optimizing warehouse/fulfillment logistics (**50% priority on Chart 26**) within the existing network. The mandate is to extract maximum efficiency from existing assets, which is made possible by ProShip's ability to rate shop across multiple origins at sub-second speeds.

Shift from Peripheral to Foundational: There's a significant drop in focus on peripheral technology enhancements for the wider market (**60% to 36%**), while our customer base's focus on this has risen (**38% to 45%**). This indicates that our customer base is starting to invest heavily in complimentary tools to manage the environment created by their new core systems, a direct correlation to the high priority placed on enhancing data-driven decision making (**46% on Chart 26**).

27. WHAT CHANGES HAVE YOU MADE TO YOUR PARCEL SHIPPING OPERATIONS TO ADDRESS CHALLENGES OR IMPROVE EFFICIENCY WITHIN THE LAST 12 MONTHS.

	OUR CUSTOMERS		WIDER MARKET	
	2024	2025	2024	2025
New Core Technology Deployments	45%	54%	49%	45%
Adjusted Carrier Mix	52%	54%	48%	48%
Peripheral Technology Enhancements	38%	45%	60%	36%
Expanded Fulfillment Locations	38%	16%	42%	17%
Utilized a Third-Party Logistics Provider	17%	11%	18%	10%
Migrating to Cloud Infrastructure	-*	11%	-*	7%
Decreased Fulfillment Locations	9%	7%	15%	5%

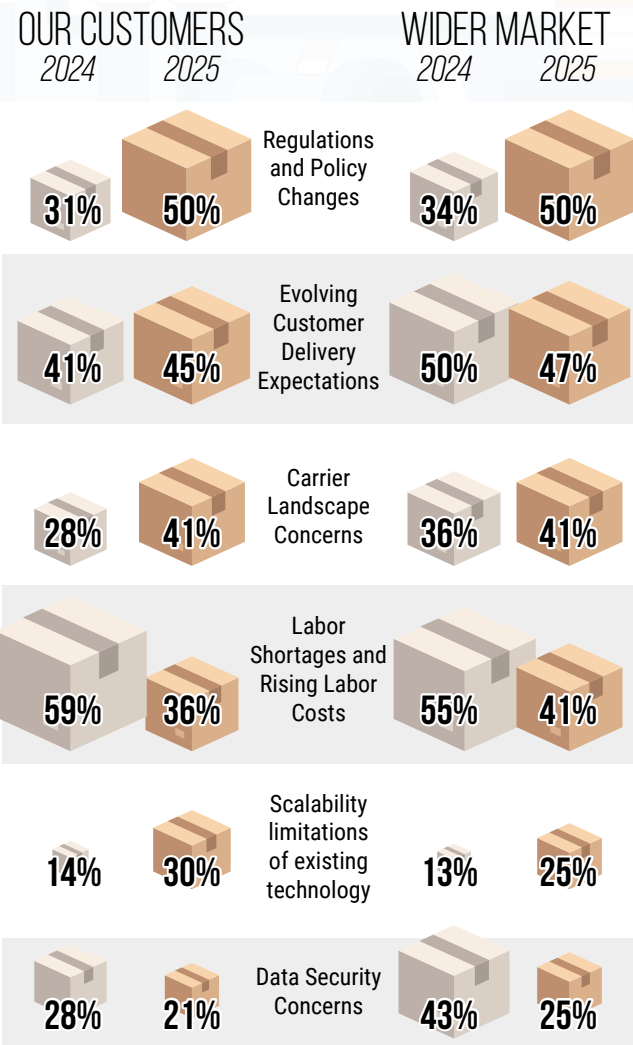** Options marked with a hyphen (-) were not tracked in the 2024 survey.*

> *"...our customer base is starting to invest heavily in complimentary tools to manage the environment created by their new core systems..."*

Navigating Future Risk: Beyond the Cost Increase

We know cost is the immediate fight. But what are shippers truly worried about for the long term? This data explores the future risks, revealing a powerful meeting of concerns around external complexity (regulations) and internal infrastructure (scalability). The future of successful fulfillment relies on flexible, adaptable technology that can handle sudden shifts in the legal and competitive landscape.

28. WHAT ARE YOUR BIGGEST CONCERNS REGARDING THE FUTURE OF PARCEL SHIPPING BEYOND COST INCREASE?

	OUR CUSTOMERS		WIDER MARKET	
	2024	2025	2024	2025
Regulations and Policy Changes	31%	50%	34%	50%
Evolving Customer Delivery Expectations	41%	45%	50%	47%
Carrier Landscape Concerns	28%	41%	36%	41%
Labor Shortages and Rising Labor Costs	59%	36%	55%	41%
Scalability limitations of existing technology	14%	30%	13%	25%
Data Security Concerns	28%	21%	43%	25%

Regulation Becomes the #1 Future Risk: Concern over regulations and policy changes skyrocketed for both groups, reaching **50%**. For both our customers and the wider market, this is a massive jump (**31% to 50%**). This concern encompasses everything from global tariffs to domestic carrier policy shifts. Systems for high-volume shippers must be configurable to adapt to these fluid rules without requiring downtime, a long lead time, or custom code deployments.

The Scalability Challenge Validates Our Architecture: The customer base shows a higher concern for scalability limitations (**30% vs. 25%**). This is a warning sign that the most aggressive shippers, the ones driving new core technology deployments, are already anticipating outgrowing newly implemented systems. This elevated anxiety reinforces the critical importance of ProShip's high-performance, resilient, and versionless architecture. Our platform is designed to decouple the shipping process from the core enterprise stack, guaranteeing unmatched throughput, zero downtime, and assured peak season performance regardless of future volume spikes or integration demands.

Carrier Concerns Solidify: Concerns about the carrier landscape (volatility, limited options, difficulty onboarding) rose from **28% to 41%** for customers. This reinforces the action item of adjusted carrier mix at **54%**, showing that shippers view carrier diversification as necessary but inherently risky. They need a technology platform that separates this volatility, making it simple to manage multiple carriers and instantly add new ones without interruption. ProShip provides a broad library of both on-platform and API carriers to make carrier diversification a strategic advantage, not a technological burden.

Customer Deep Dive Conclusion

The data collectively reveals a customer base that is evolving into a cohort of sophisticated, data-driven logistics operators. The strategic imperative is no longer simply How fast? but one that forces a deeper look at their infrastructure partner: *Does our system have the expertise, the architecture, and the longevity to guarantee our stability, adaptability, and data accuracy as we face these new risks?*

This is where the collective voice of our customer base, a segment driving the most complex fulfillment operations in the industry, guides our approach and solidifies the principles that define our role as a long-term strategic partner:

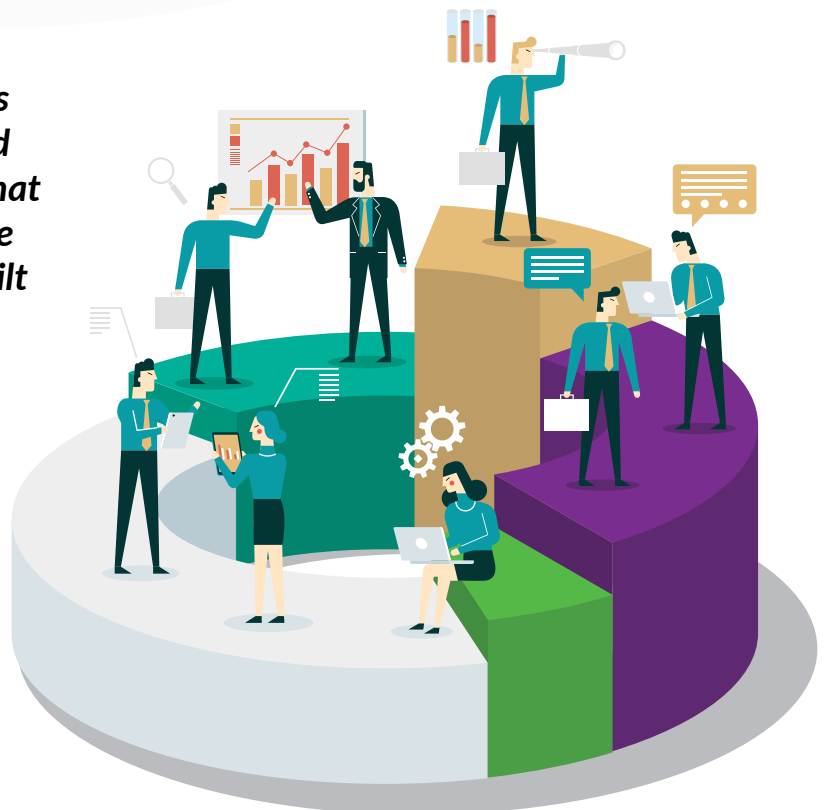|	
Expertise and Trust	The management of critical systems requires a partner with singular focus. Our longevity and deep expertise in solving the most complex parcel problems instill the trust required to manage your operation through relentless regulatory changes and market volatility.
Stability and Adaptability	With scalability limitations as a rising concern, the inherent design philosophy of our versionless architecture ensures that future growth is a certainty, not a risk. It guarantees unmatched throughput and zero downtime, regardless of volume spikes or external pressure.
Control and Choice	The rising need for IT governance, cost optimization, and supply chain resiliency is met through maximum flexibility. ProShip delivers this with On-Premise or Private-Hosted Cloud deployment, flexible integration across your entire enterprise stack, and a powerful GUI or API for customized, real-time rate execution. We ensure optimized delivery through our carrier-agnostic network and Advanced Rate Shopping capabilities. By providing the industry's broadest choice of carriers through a single, stable platform, we deliver the control necessary to execute cost optimization and diversification strategies instantly.

The commitment of ProShip customers to aggressive technology upgrades and data-driven decision-making confirms that parcel shipping is now a core enterprise function. We are the proven partner built for this new era of complexity.

The Risks That Keep Shippers Up at Night

When cost control is excluded from the conversation, we reveal the core anxieties driving the industry. Comparing the 2025 data to the 2024 results shows a dramatic shift in focus from internal security concerns toward a fear of external, unpredictable forces which are very familiar: *political instability and carrier volatility*.

The biggest risks are now dominated by factors outside the shipper's operational control, reinforcing the urgent need for flexible, resilient internal systems.

In any post-pandemic shipping survey, increasing shipping costs is the top answer. It is the persistent, unavoidable noise that drowns out all other signals. In 2024, **50%** of high-volume shippers named it their biggest concern. To gain true strategic clarity for 2025, we deliberately removed "cost increase" from the response options. By filtering out this dominant concern, we can isolate the underlying structural risks. These are the external threats and long-term fears that shape investment decisions when daily transportation spend is not the sole focus.

The Rising Threats: Regulatory Fear and Customer Expectations

The single most striking movement is the surge in concern over regulations and policy changes, including tariffs (**50%**), catapulting it from a mid-tier concern in 2024 (**34%**) to the clear number one risk in 2025. Regulations are now the top fear and they're unpredictable. Tariffs, mandates, geopolitical shifts… shippers are bracing for impact.

Right behind that is the pressure from the consumer, with evolving customer delivery expectations at **47%**. This concern directly conflicts with the finding that shipping costs (**76%**) are the dominant carrier selection factor. Shippers recognize they must deliver faster and provide better visibility, but they are strategically constrained by their primary cost focus, creating a fundamental gap between customer expectations and carrier selection strategy.

The Capacity Crisis: Labor and Carriers

Tied for third place (**42%**) are labor shortages and rising labor costs and carrier landscape concerns. These are two sides of the same coin: capacity.
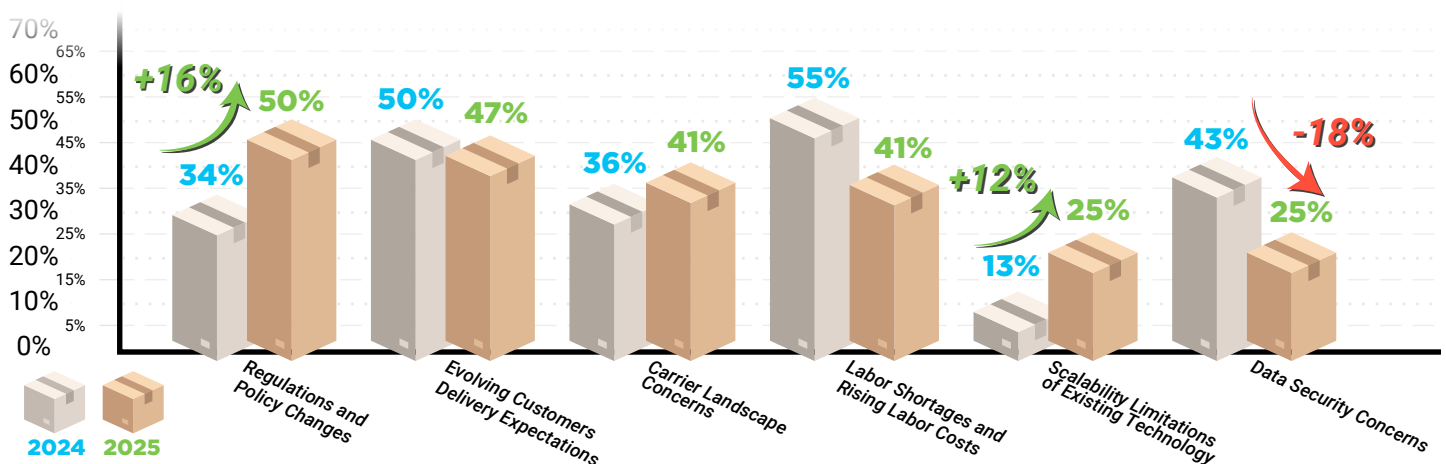
If you can't find and afford the personnel to process and fulfill orders, your speed and cost control suffer. If you can't rely on a stable, competitive carrier network, your ability to serve your customers is immediately jeopardized. Shippers are recognizing that the foundation of their entire delivery promise is under threat.

Internal vs. External Risk

Internal risks are fading and external chaos is taking over. Data security concerns plummeted from **43% to 25%** in 2025. This dramatic drop suggests that while data integrity is still important, it is not as much of a risk when compared to macroeconomic and political forces.

Scalability limitations of existing technology systems surprisingly doubled in concern (**from 13% to 25%**). This rise

29. WHAT ARE YOUR BIGGEST CONCERNS REGARDING THE FUTURE OF PARCEL SHIPPING? (YOY COMPARISON)

supports a critical market realization: high-volume shippers can no longer survive on just on-premise carrier systems or just modern API-only solutions. Neither can deliver the maximum throughput and solid automation investment required. Shippers are recognizing that to successfully adapt to the **50%** regulatory threat and the **47%** customer demand pressure, they require the experience of a robust solution that guarantees both flexibility and choice with access to on-platform and API carrier engines across their most complex operational demands.

ACTIONABLE INSIGHT

The market is demanding that shippers pivot from simply purchasing tools to developing strategic capabilities like flexibility and resilience. If external threats such as regulatory instability and relentless customer demands are the biggest future concerns, your investment strategy must reflect a move toward risk adaption.

This means investing in a robust, proven, and centralized platform that can pivot as needed at the moment an external factor changes. The requirement is not just a technology update but achieving operational dexterity. While an API-only strategy can offer low-maintenance and less hassle, these carrier engines will fail to deliver what an on-platform carrier engine can: the control, speed, and throughput needed for this level of complex, high-volume automation. The right solution utilizes a hybrid approach, ensuring you can adapt to a new tariff, a major carrier shift, or an economic event without manual intervention or suffering a service disruption.

Educating Stakeholders

As shipping departments push for improvements, they often face a challenge beyond the operational realm: educating internal stakeholders. Securing executive and cross-departmental buy-in for parcel shipping initiatives can be difficult, and our survey shed light on the biggest obstacles in this area.

By far, the top internal challenge is making the ROI case for investing in better parcel solutions. Nearly half of respondents (**around 46%**) said that demonstrating a clear return on investment (ROI) is the biggest hurdle in convincing management to support parcel system upgrades. This is not surprising. Parcel shipping, while critical to customer experience, is often viewed as a cost center, and leadership may be skeptical of large capital expenditures without a guaranteed payback. Shipping teams need to translate improvements into the language of dollars and cents, showing how a new system might, for example, reduce labor costs through automation or avoid carrier fees through rate optimization.

The second major hurdle is change resistance with **30%** of shippers anticipating struggles with overcoming concerns about switching from existing carriers or processes. In many organizations, the status quo has inertia and executives may worry that adding new carriers could jeopardize negotiated discounts, or that implementing a new shipping software could disrupt operations in the short term. There can be a "if it isn't broken, don't fix it" mentality, especially among leadership who may not see the daily pain points that operators do. Overcoming this requires education and sometimes small pilot programs to prove out concepts without fully diving in at once.

Another **21%** of respondents noted the challenge of aligning parcel shipping improvements with broader company goals. Essentially, to get traction internally, parcel leaders often must frame their asks in terms of larger strategic priorities. If the C-Suite is focused on customer experience this year, the case can be made that better tracking visibility will improve NPS scores. If the company has a sustainability target, the case might be that optimized packaging and shipping can cut carbon emissions. This kind of alignment helps parcel projects compete for budget and attention in the crowded field of corporate initiatives.

Internal advocacy is a crucial part of executing any parcel strategy change. The data shows that ROI justification is the business language needed to win support with roughly two-thirds of shippers concerned about proving ROI to get green-lit. Change management and strategic alignment are also key supporting tactics. Many leading shippers have found success by involving stakeholders early, communicating quick wins, and even bringing in external benchmarks or case studies to bolster their education efforts. It's an ongoing process of translating parcel-speak into business outcomes that executives care about.

ADVICE FROM THE FIELD

The data confirms the complexity of high-volume shipping, but the true ground truth always comes from the people who live it every day. We asked one simple question: *What advice would you give to someone new to the industry on the current state and future of parcel shipping?*

"*Understand your accessorial costs and shipping processes, those areas can be game changers for parcel savings opportunities.*"

"*Realize that using a single carrier is "easier" but it is not the most cost-effective solution.*"

"*Parcel shipping is changing and moving very quickly with new carriers and technology coming into play. It requires investment into technology over time*"

"*Buckle up and hang on tight!*"

"*Review your shipment level data on a monthly basis to understand the true costs of shipping. Tools and dashboards are great but understanding the data is so important as most companies have a lot of hidden costs. Invest in software that will help you streamline the process and identify these issues.*"

"*Parcel is a data driven industry. Know your data and invest in analytics. Don't rely on the carriers to do this for you.*"

"*Change management isn't easy, you need to learn to embrace it in our ever-changing world.*"

CONCLUSION

Agility Required

The data presented paints a clear and challenging picture: *The industry has reached a breaking point where short-term cost control is fundamentally at odds with long-term strategic resilience.*

The **76%** majority prioritizing shipping costs are making understandable financial decisions, yet these choices are often tactical, like adjusting carrier mixes (**48%**) or deploying new software (**45%**). These moves provide immediate relief, but they fail to address the core structural risk of threats like regulations (**50%**) and the doubling of concern over scalability limitations (**25%**).

The key to resolving this tension lies in the shift of ownership. With IT and supply chain teams owning **75%** of the strategy, parcel shipping must now be treated as a core technological asset, not a variable expense.

The Strategic Imperative

To succeed in this volatile environment, shippers must move beyond temporary fixes and adopt a strategy of technical agility. This is the only way to chase cost savings while building a delivery network flexible enough to withstand unpredictability.

The 2025 market is not for the complacent. It is demanding that shippers seize control of their network, using technology to transform financial pressure into a competitive advantage.

Adopt a Distributed Fulfillment Strategy

As more than 60% of shippers now operate from multiple distribution centers, expanding regional or hybrid fulfillment models (such as ship-from-store and selective drop-shipping) can reduce transit times, lower costs, and safeguard operations against localized disruptions.

Eliminate Integration Complexity

The #1 barrier to carrier diversification is technical integration complexity. Adopting a single, best-in-breed multi-carrier platform removes this hurdle, instantly enabling the IT/Operations team to onboard and leverage carriers in days, not months.

Empower Data-Driven Performance

As more than 60% of shippers now operate from multiple distribution centers, expanding regional or hybrid fulfillment models (such as ship-from-store and selective drop-shipping) can reduce transit times, lower costs, and safeguard operations against localized disruptions.

Leverage AI and Automation

With 35% of shippers identifying AI-driven route optimization as the most influential technology for the next 3–5 years, early adopters should pilot automation and predictive tools that enhance routing, carrier selection, and demand forecasting to build the foundation for a more resilient, self-optimizing shipping network.

Expand Carrier Networks with Confidence

Low trust in national carriers and rising cost pressures are driving diversification, but many shippers are held back by integration complexity and fear of disruption. The data shows that shippers using 2-5 carriers are the norm, and some are expanding to 6-10. To stay competitive, organizations must proactively grow their carrier mix, especially with regional and specialized partners, while ensuring their systems can support fast onboarding and unified performance tracking.

PARTNERING FOR SUCCESS

PROSHIP | MULTI-CARRIER SHIPPING SOFTWARE

ProShip's suite of leading multi-carrier shipping software solutions empower businesses of all sizes to simplify parcel and LTL workflows, automate shipping tasks, and take complete control of their shipping strategy. As a premier logistics technology provider exclusively dedicated to shipping software solutions, ProShip is committed to delivering powerful shipping software today and into the future. Trusted by leading brands, ProShip is the last shipping software you'll ever need. Visit www.proshipinc.com to learn more.

ORDERFUL

Orderful is the fastest-growing modern EDI platform, transforming how enterprises connect and trade data across global supply chains. Founded in 2016 and backed by leading investors including Andreessen Horowitz and NewRoad Capital Partners, Orderful has reimagined Electronic Data Interchange (EDI) as a modern, cloud-native, API-first experience. The platform enables companies to integrate once and instantly trade data with any partner in its network—reducing onboarding times from months to days.

Built for agility, scalability, and developer usability, Orderful eliminates the complexity of legacy EDI systems through real-time data validation, a self-service onboarding model, and a canonical API that standardizes transactions across all partners. The result is faster integrations, fewer errors, and complete visibility into supply chain data flows.

Trusted by hundreds of brands, retailers, logistics providers, and manufacturers—including NFI Industries, Hirschbach, and Liquid Death—Orderful helps companies future-proof their connectivity infrastructure while driving efficiency, compliance, and growth.

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