

# FedEx

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## MINTEL/SIMMONS ASSIGNMENT

**RO:** To understand sociocultural factors that shape the delivery express transport and the use of FedEx



# MINTEL OVERVIEW

## EXPRESS MAIL SERVICE

Over the last two years, cross-channel spending in the financial industry has decreased, hitting a two-year low of \$1.85 billion in Q1 2023. The primary driver of financial services marketing, direct mail spending, also fell below \$1 billion for the first time since Q1 2021. Competitors have become less aggressive in seeking new customers due to inflation and the potential of a recession. However, consumer behaviors suggest that there are opportunities for marketers who remain persistent.

**POST OFFICE TO ADDRESSEE** **EXPRESS MAIL** UNITED STATES POSTAL SERVICE™

ORIGIN (POSTAL USE ONLY) DELIVERY (POSTAL USE ONLY)

PO ZIP Code Day of Delivery Flat Rate Envelope Delivery Attempt Time Employee Signature

Date In Time In Military Postage Signature of Addressee or Agent

Weight Int'l Alpha Country Code COD Fee Insurance Fee

No Delivery Acceptance Clerk Initials Total Postage & Fees

**CUSTOMER USE ONLY**

METHOD OF PAYMENT: Express Mail Corporate Acct. No. **ISU's Corp. Acct. # (call 8-8383)**

Federal Agency Acct. No. or Postal Service Acct. No. **NO DELIVERY**  Weekend  Holiday **Sign here to waive delivery signature**

**FROM:** (PLEASE PRINT) PHONE **309 438-XXXX (your phone #)**

Department Name **ILLINOIS STATE UNIVERSITY**

Datatel Acct # (XXXXX-XX-XXXXXXXX-691700) **CAMPUS BOX 1500**

**NORMAL IL 61790-1500**

**TO:** (PLEASE PRINT) PHONE **555 555-2473 (Addressee's #)**

**Reggie Redbird**

**Redbird, Inc.**

**123 State St.**

**Normal, IL 61761**

**PRESS HARD.** You are making 3 copies. **FOR PICKUP OR TRACKING CALL 1-800-222-1811** [www.usps.gov](http://www.usps.gov) **EMS**

[Home > company overview > overview of services. FedEx. \(n.d.\).](#)  
<https://investors.fedex.com/company-overview/overview-of-services/default.aspx#:~:text=FedEx%20Express%20invented%20express%20transportation,the%20world's%20gross%20domestic%20product.>

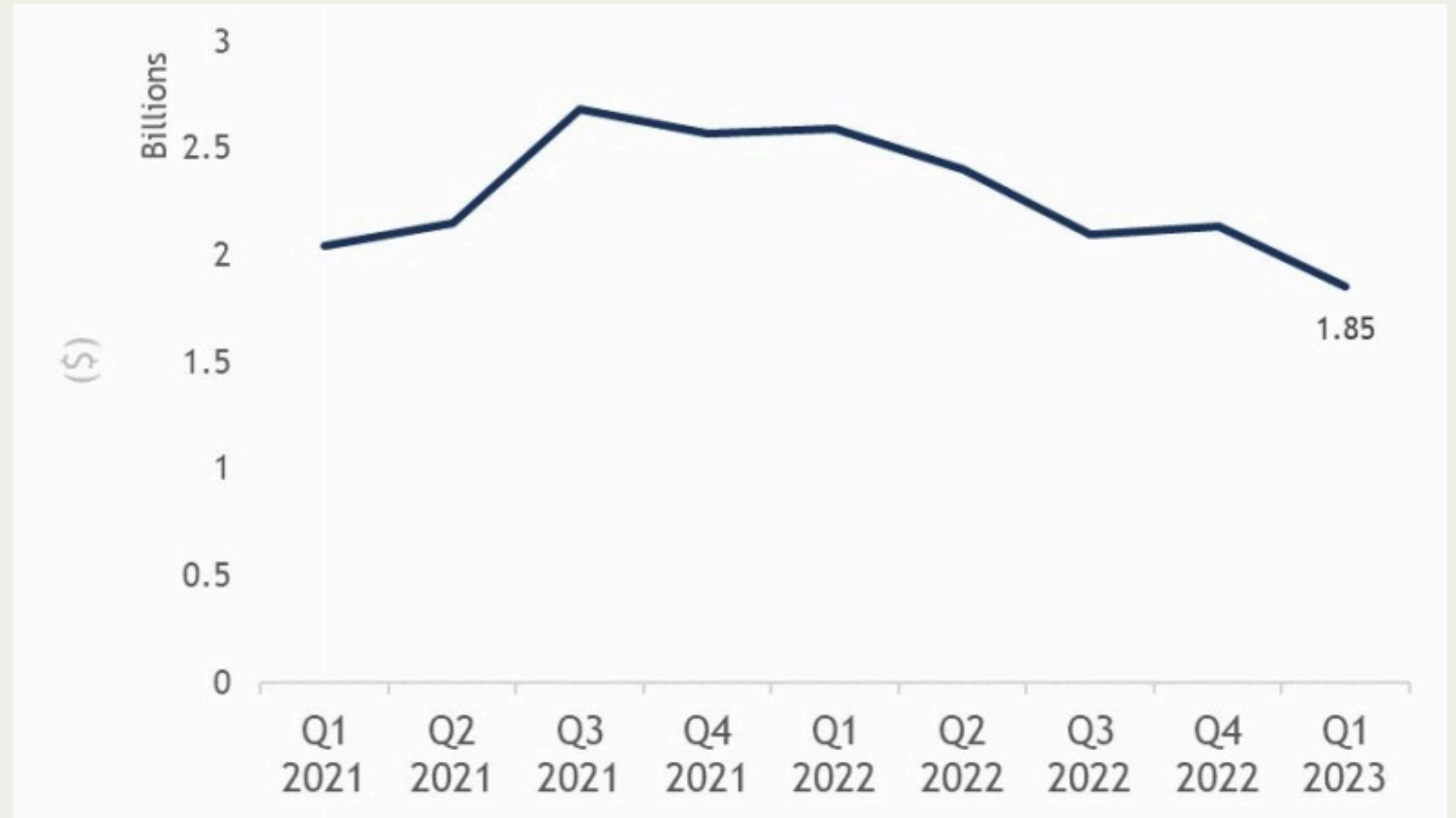


# MINTEL MARKETPLACE FINDINGS

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Figure 10: Financial services industry cross-channel spend, Q1 2021 – Q1 2023

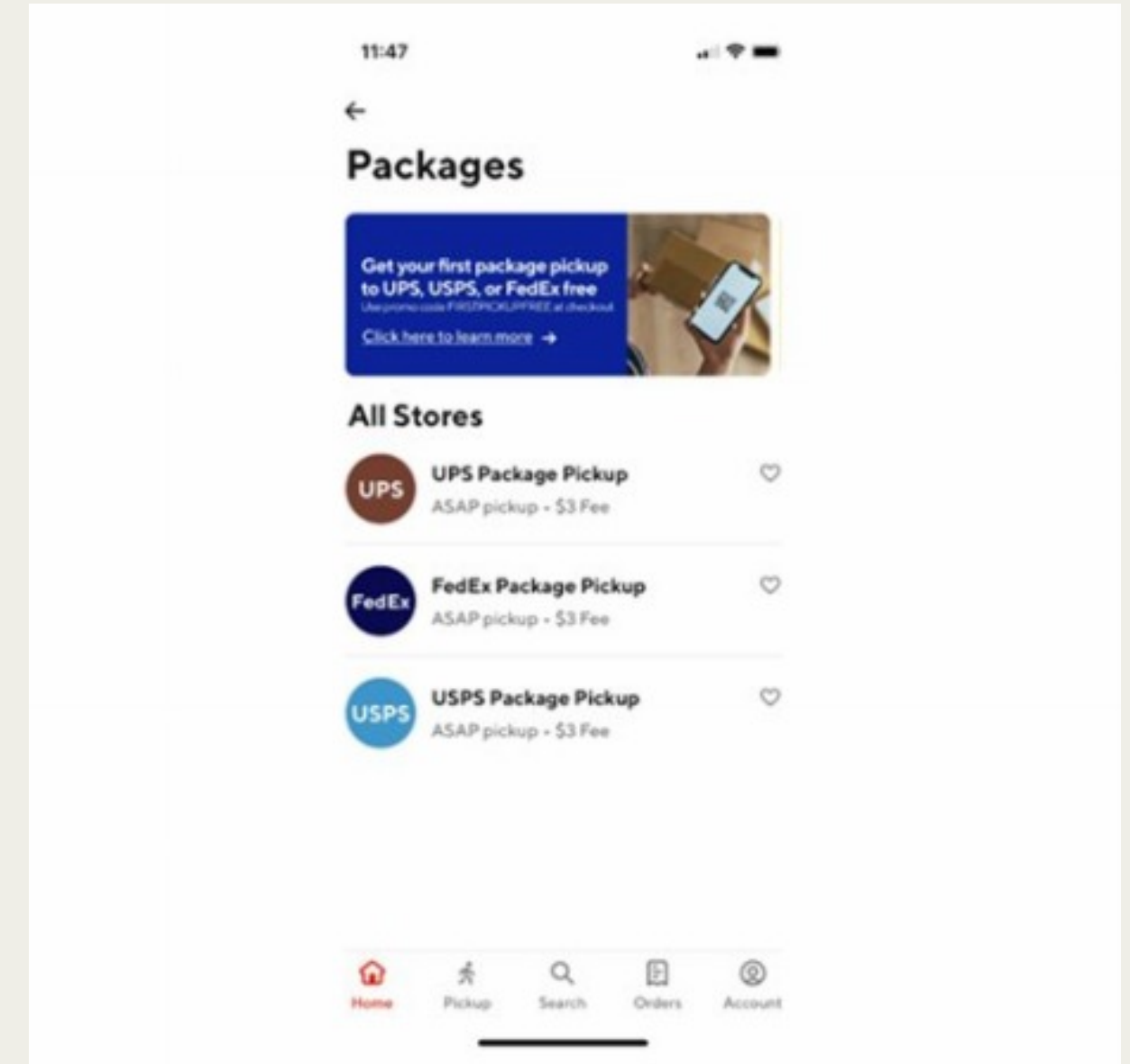
Direct mail took a plunge in Q1 though still a driving force in the market



# MINTEL MARKETPLACE FINDINGS

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DoorDash is introducing a "Package Pickup" service that involves their delivery personnel collecting prepaid packages from customers' homes and delivering them to UPS, FedEx, or USPS locations for a fee of \$3 for DashPass members and \$5 for non-members. The service, tested since March 2022, is now being launched. There's potential for DoorDash to collaborate with retailers, allowing their stores to be added as return drop-off points in the future.



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# Simmons Insight: DEMOGRAPHIC, PSYCHOGRAPHIC, AND COMPETITIVE ANALYSIS



# DEMOGRAPHIC FINDINGS

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## Golden Age Range :

ages 65+ are the most likely to use overnight delivery services such as FedEx while ages 18-24 are less likely to use overnight delivery services

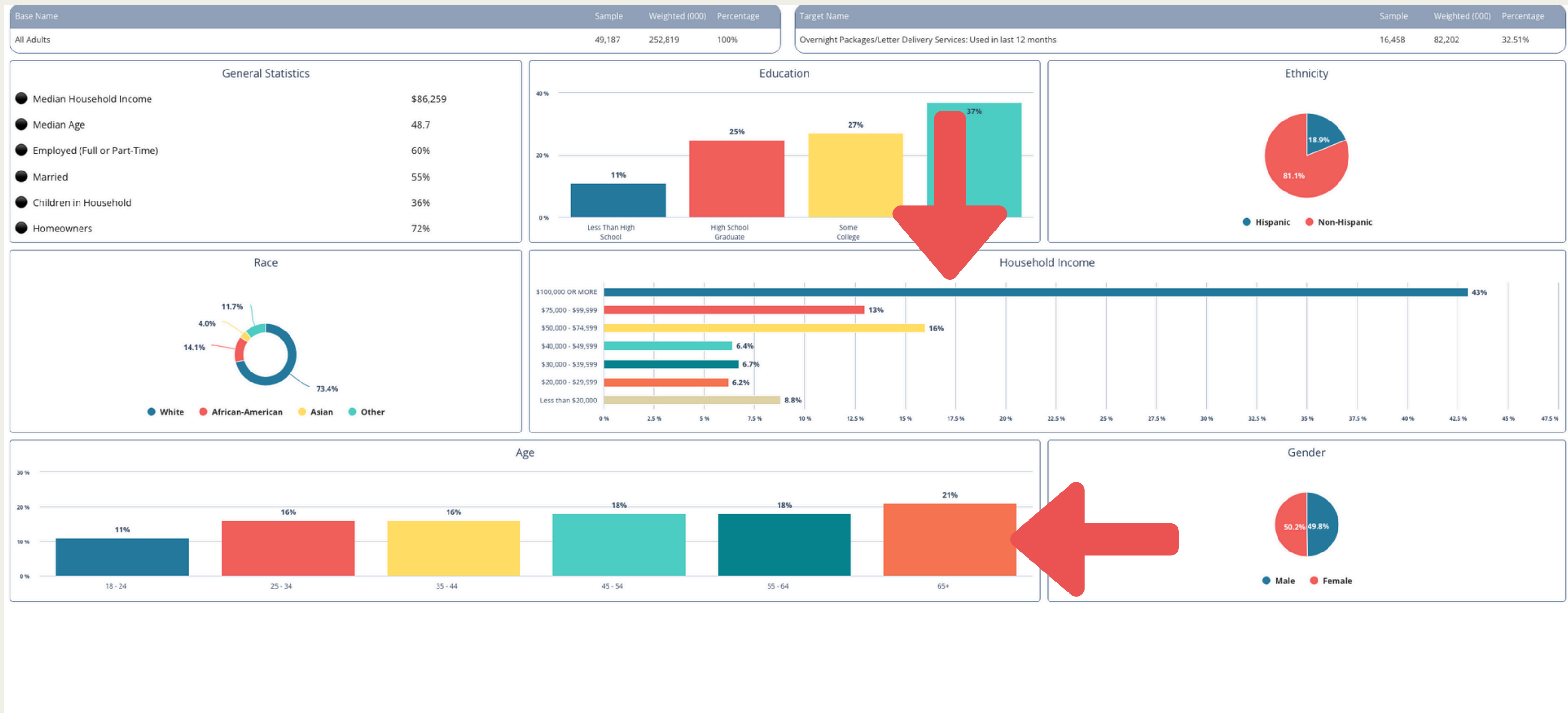


## Education and Income :

Respondents usually making over \$100,000 in income the in the household with some sort of grad school or above education are more likely to use overnight shipping methods than those making less \$50,00 annually



# FEDEX



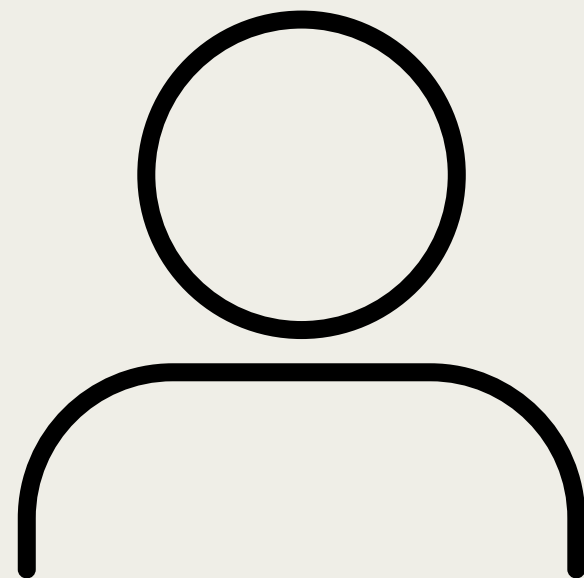
# PSYCHOGRAPHIC FINDINGS

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## Personal VS Business Use

### Last 12 months :

Fedex is 17.9% used for business compared to the 42.1% used for personal use in the last 12 months



## Personal VS Business use:

Fedex is 32.7% used for business compared to 76.9% used for personal use





# PSYCHOGRAPHIC FINDINGS

	Total					OVERNIGHT PACKAGES/LETTER DELIVERY SERVICES_USED IN LAST 12 MONTHS					BRAND CONSUMER_FEDEX				
	Sample	Weighted(000)	Vertical %	Horizontal %	Index	Sample	Weighted(000)	Vertical %	Horizontal %	Index	Sample	Weighted(000)	Vertical %	Horizontal %	Index
Total	1,484	6,629	100%	100%	→ 100	435	2,060	100%	31.1%	→ 100	271	1,129	100%	17%	→ 100
FEDEX_USED FOR BUSINESS	95	369	5.6%	100%	→ 100	95	369	17.9%	100%	↑ 322	95	369	32.7%	100%	↑ 587
FEDEX_PERSONAL USE	212	868	13.1%	100%	→ 100	212	868	42.1%	100%	↑ 322	212	868	76.9%	100%	↑ 587



# COMPETITIVE FINDINGS

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## THE NOT-SO-GOLDEN AGE FOR FEDEX:

Consumers under 24 are less likely to use FedEx by only using it 17% of the time



## THE COMPETITION:

Consumers 45-54 are more likely to use UPS by 22% than other age groups in our analysis!



# COMPETITIVE FINDINGS

	Total					BRAND CONSUMER_FEDEX					BRAND CONSUMER_UPS				
	Sample	Weighted(000)	Vertical %	Horizontal %	Index	Sample	Weighted(000)	Vertical %	Horizontal %	Index	Sample	Weighted(000)	Vertical %	Horizontal %	Index
<b>Total</b>	49,187	252,819	100%	100%	→ 100	10,109	49,550	100%	19.6%	→ 100	10,002	50,203	100%	19.9%	→ 100
<b>AGE SUMMARY_18-24</b>	1,484	6,629	2.6%	100%	→ 100	271	1,129	2.3%	17%	↓ 87	280	1,253	2.5%	18.9%	→ 95
<b>AGE SUMMARY_25-34</b>	8,619	37,523	14.8%	100%	→ 100	1,562	6,883	13.9%	18.3%	→ 94	1,533	6,804	13.6%	18.1%	→ 91
<b>AGE SUMMARY_35-44</b>	9,726	45,954	18.2%	100%	→ 100	1,935	8,583	17.3%	18.7%	→ 95	1,872	8,467	16.9%	18.1%	→ 93
<b>AGE SUMMARY_45-54</b>	9,919	53,699	21.2%	100%	→ 100	2,237	11,600	23.4%	21.6%	→ 110	2,250	11,830	23.6%	22%	↑ 111
<b>AGE SUMMARY_55-64</b>	9,709	50,744	20.1%	100%	→ 100	2,137	10,509	21.2%	20.7%	→ 106	2,075	10,454	20.8%	20.6%	→ 104
<b>AGE SUMMARY_65+</b>	9,730	58,270	23%	100%	→ 100	1,967	10,845	21.9%	18.6%	→ 95	1,992	11,395	22.7%	19.6%	→ 98



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# INSIGHTS AND STRATEGIC RECOMMENDATIONS FOR FEDEX



# INSIGHTS AND RECCOMENDATIONS

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## Insights :

- FedEx's main consumers are over the age of 45
- Personal use is the most common reason to use FedEx
- Those with grad school degrees are more likely to use FedEx than non grad school degrees recipients

## Recommendations: :

- Expand targeted ads to young adults, potentially without kids, to expand consumer rates and build relationships
- Expand user base to reach audiences that are currently not using FedEx for personal use as well as consumers that are using it at competitors.
- Maintain and produce more promotions to increase loyalty



# SOURCES

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[Home > company overview > overview of services. FedEx. \(n.d.\). https://investors.fedex.com/company-overview/overview-of-services/default.aspx#:~:text= FedEx%20Express%20invented%20express%20transportation,the%20world's%20gross%20domestic%20product.](https://investors.fedex.com/company-overview/overview-of-services/default.aspx#:~:text= FedEx%20Express%20invented%20express%20transportation,the%20world's%20gross%20domestic%20product.)

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