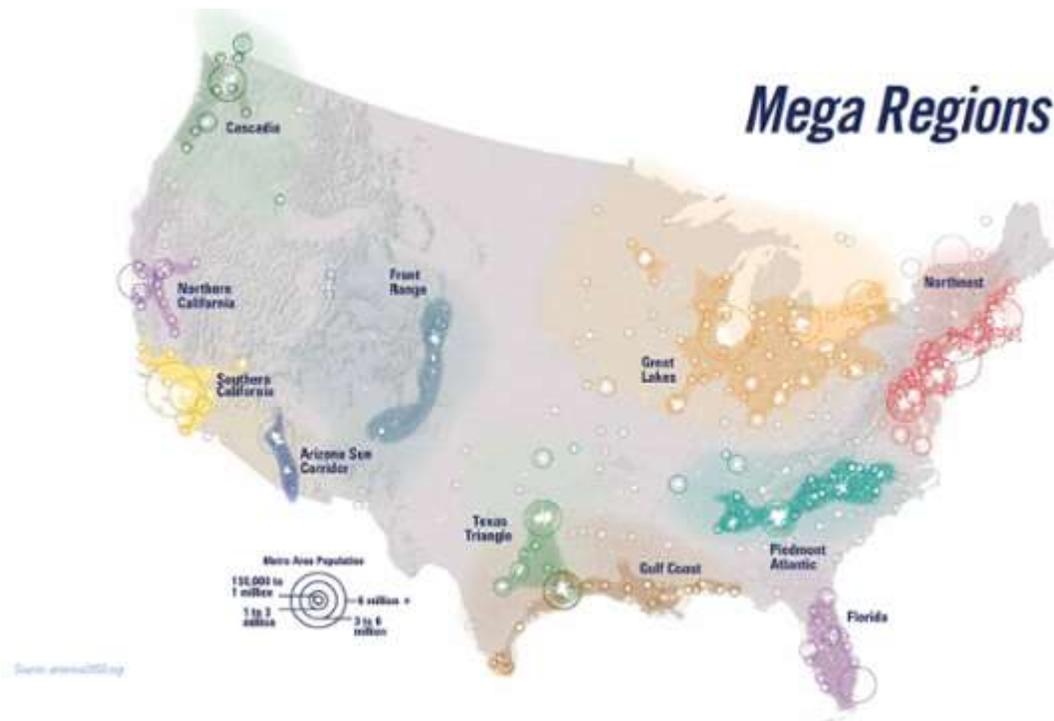


“Love the Zone You Ship”
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Blog Article

Understanding how to use zone shipping to your advantage will make you fall back in love with your shipping provider.

What is Zone Shipping?

Zone shipping is a common practice that shipping carriers use when creating fee structures for their customers. Rather than showing costs based on a map of US state borders, a zone map will divide regions and countries not specific to the state borders, but rather taking into consideration the surrounding megaregions (see megaregion map below.) Essentially, the cost of shipping is determined by how many zones a package must cross when traveling from its original origin.



Megaregions, or US population centers, are large metropolitan regions that share economic systems, transportation systems, and natural resources where population continues to grow. With distribution centers located in these largely populated areas, the distance a package travels might be a shorter distance to the destination than you think. OnTrac focuses

resources in megaregions in order to be able to provide the very best advantages at the very best price.

Why is Zone Shipping important?

According to research done by The Colography Group, Inc., over 70% of packages stay within Zone 4, which is up to a 600-mile radius of the shipping origin. For regional carriers like OnTrac, who also service Zone 5, that percentage climbs to over 80%. In addition, the majority of these packages actually stay within Zone 2 (approximately 47.9% according to the below chart.) This means that the majority of packages shipped by companies stay within their general geographic region. Implementing a regional carrier, like OnTrac, will provide companies with a significant price savings with less fees and surcharges than the national carriers.



According to VISIBLE Supply Chain Management, "United States e-commerce sales reached \$396 billion in 2016, and sales are estimated to grow beyond \$684 billion by 2020; that's nearly double the sales in just four years! Over 53 percent of global Internet users made online purchases in 2016—about 1 billion people. As a result, growing companies that aren't proficient in shipping could lose thousands, if not millions, of dollars. Employing strategic shipping strategies that take zones into account will become increasingly important as e-commerce sales continue to grow."

How to save with Zone Shipping?

Since zone shipping is used by all major shipping providers it is wise to fully understand how each carrier prices their zones. Rates will vary depending on the carrier and the shipping service that you select. Thankfully, OnTrac Ground uses the same rate zones as National Carriers, allowing a more accurate comparison of fees, surcharges and transit times. For

example, did you know that OnTrac is 36% less for residential deliveries that require a signature compared to national carriers?

Plus, OnTrac can save multiple transit days for a single package to compared to the national carriers. Below is a Transit Day map that shows how much faster packages travel from Reno, Nevada throughout the OnTrac service region. Speaking of megaregions, OnTrac's innovation has synchronized supply and demand specifically in the populated Reno area.

