

TIP SHEET: SHIPPING

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Multichannel Merchant's shipping tip sheet includes advice from articles curated from MultichannelMerchant.com, presentations from Operations Summit 2013, and interviews with industry experts.

HOLIDAY SHIPPING

Even though the holiday season is here, there is still time to prepare for the rush. Here are five holiday shipping tips worth implementing:

Providing More Information to Reduce Returns

Explore different ways to reduce returns before the transaction takes place. This can include providing detailed product descriptions, highlighting customer reviews that give others insights into the product, transferring gift options such as size and color preferences to the recipient before the product is shipped to ensure it's the perfect gift. —*Accelerate Holiday Gift Sales With an Ecommerce Tune-up*

Offer a Shipping Schedule

Let your customers decide how soon they want to receive their order by providing multiple shipping options. Holiday delivery schedules should be prominently displayed in the cart, so buyers can make sure their gifts arrive on time—even for those last-minute procrastinators. —*5 Tips to Optimize Your Shopping Cart*

Meeting the Needs of Today's Connected Shopper

Today's connected customer is looking for the ability to buy online and pick up in-store and same day shipping. To meet these demands, retailers need global inventory visibility to know what's available where and strong inventory management capabilities that work across multiple locations to ensure the product can be shipped quickly and for the lowest cost possible. —*How to Reach the Cross-channel Consumer This Holiday*

Increase Customer Engagement with Order Histories

Staying on top of consumer order histories

could be a great way to not only continue customer engagement but also boost sales. If you know of customers that buy products from you during the holidays, send a gentle reminder about upcoming holiday sales or products of interest. Some companies start sending reminders to their best customers in August—but you need to determine the timing strategy that works best for your organization. —*5 Tactics to Reactivate Lapsed Customers*

Keep Customers Informed of Delays

If customers are not alerted to any type of delays, especially during the holiday season, it can result in decreased lifetime customer value, decreased reorder rates and a decrease in the likelihood to recommend the brand. —*Free Shipping Major Cyber Monday Focus*



INTERNATIONAL SHIPPING

Beginning international shipping for your retail business isn't an easy task to undertake and there are many things to consider before you decide to embark on the overseas journey.

Here are several tips if you are considering incorporating international shipping into your business:

Every Possible Payment Method

Before jumping the global gun, retailers need to make sure they offer every payment option that is used in every country they are shipping to. Not every country accepts the major credit

cards used in the United States. —*Retailers Need to Understand International Shipping*

Giving International Customers Accurate Fees

Since shipping in the U.S. is eight times more expensive than shipping in other countries, retailers need to give international customers accurate quotes on fees — or else the retailers will be the ones to suffer the financial consequences. —*Executive Summary Report: International Business*

In-house or Outsourcing with Global Shipping

Merchants can choose to build in-house capabilities with staff learning to import and export regulations to deal with the complexities and logistics can outsource when it comes to global shipping. Outsourcing allows merchants to go after he

larger scale and not just a few countries. —*Why U.S. Merchants Need To Expand Their Borders*

Factors to Consider When Going Global

Factors to consider with global: market size, language, duty barriers, shipping costs —*“Going Global? Learn Where to Focus Your Efforts, How to Be Essential” at the 2013 Operations summit*

Identifying Shipment Times for Global

If your ecommerce company is sending goods overseas, it's important to not only identify the shipment time but also have a good understanding of your current and projected inventory demands. —*Tips on Going Global with Your Supply Chain*



TRACKING SHIPMENTS

Communicating with your consumers about their shipments is vital when it comes to the overall shopping experience.

Here are five ways merchants can prevent any customer frustrations when it comes to tracking shipments:

Have a Tracking Number in the Email

Consumers prefer email notifications with a tracking number they can click to get the status of a shipment. —*UPS Pulse of the Online Shopper: A Customer Experience Study*

Communicating Delivery Times

Merchants should communicate clear expectations on package delivery timing. Communicate early about a package delivery and execute on the promise of the delivery. Timely arrival of shipments encourages shoppers to recommend an online retailer. Package tracking services are considered either “essential” or “nice to have” by almost all consumers. —*UPS Pulse of the Online Shopper: A Customer Experience Study*

Options for Shipping and Delivery

Give customers the option of shipping time frames and special delivery instructions, including scheduling late deliveries, reroute packages to different locations, and self-service tracking. —*Executive Summary: Shipping & Delivery*

Asking for More Information

“Do you get the finger from your delivery carriers more often than you like? More than likely you do, especially if you are not using an address correction software or asking your customers two simple questions. Where do you live? Where do you get your mail? Both are extremely important with the partnerships that every common carrier (FedEx, DHL and UPS) have with the USPS. The USPS makes last mile deliveries more economical for carriers. However if your customer doesn’t get mail delivered to their home not knowing where they get their mail, doesn’t help getting the package to them.” —*Bill Monk, Director of Distribution, GNC.*



Ask the Right Questions to Reduce Returns

“To reduce your returns and undeliverable packages make it simple, ask these two questions when asking for the ship to address: Where do you live? Address Line 1, Where do you get your mail? Address Line 2, with these two questions answered correctly, every carrier will be able to deliver your package regardless the service or who is delivering the last mile.” —*Bill Monk, Director of Distribution, GNC.*

FREE SHIPPING

Free shipping is everywhere these days, it seems every merchant is offering it as incentive to get consumers to make more future purchases, but how do you master the free shipping option without hurting your bottom line?

Here are four tips on how to begin thinking about the free shipping incentive:

Keeping Customers Happy with Free Shipping

To keep customers happy, retailers need to show the shipping costs as well as how much should be purchased in order to get free shipping. —*Executive Summary: Shipping & Delivery*

Tying Free Shipping to a Coupon Code

One of the best ways to start free shipping

is to tie the option to a coupon code to a segmented section this way you can see what customers are using and how much it is costing you. By conducting segmented free shipping, it could also boost engagement when trying to grab the attention of dormant customers. —*Free Shipping for First Timers*

Combining Product and Shipping Prices

Rather than having separate prices for products and shipping, you simply combine the two. It can be a good selling tactic to offer free shipping, even if the final price customers pay doesn’t change noticeably. It will make the checkout process a little less complex, which could lead to more people completing transactions. —*Implementing the Right Shipping Strategy*



Offering a Minimum Purchase for Free Shipping

Small retailers looking to offer free shipping for the first time should be careful to make sure there is a minimum purchase required. Consumers are trained to expect free shipping online but this can quickly erode a small business’ profits. Making free shipping dependent on a minimum purchase amount ensures that your customers’ overall order size increases. —*Using Free Shipping to Compete with Big Box Retailers*

PACKAGE TO SHIP EFFICIENTLY USING KITTING

Finding ways to package to ship efficiently can be a tedious task especially as shipping costs go up. Merchants that kit items can further cut costs with better packaging. Let's use the merchant that sells tablets as an example. With a custom box, one that can hold the tablet and carrying case with little filler, the merchant may cut down on the actual and/or dimensional weight of each order, allowing for cheaper shipping. — *Why Kitting Can Help Cut Order Fulfillment Costs*



PERISHABLE SHIPPING

For direct-to-customer food merchants, the cost to ship merchandise can be rather steep. And when you add in factors such as a package weight and spoilage risks, customer incentives such as free shipping is nearly impossible. But it does not mean direct-to-customer food merchants are not finding ways to cut delivery costs without cutting corners.

Food merchant Fairytale Brownies, which bakes and ships more than 2.5 million gourmet brownies and cookie gifts annually, worked with UPS to streamline its shipping process and save \$15,000 in 2012.

According to Kim Silva, operations team leader for Fairytale Brownies, recommends merchants do their research and make sure consumers recognize it is a perishable product and look at where it is going in the summer.

She also recommends merchants do testing and figure out the best way to get the product to the recipient, investigate in different cooler options as well.

Tony Cox, president of 5th Food Group, said merchants working with the handling of perishable products are shipping from local distribution centers and some are partnering up with other merchants instead of using 3PL.

According to Mo Frechette, owner of food and gift merchant Zingerman's Mail Order, food merchants should get over trying to be fair with shipping. Nobody wants to shop with you when you present them with 50 different rates from 50 different states.



COST SAVINGS WITH SHIPPING

When it comes to shipping there are several ways a merchant can find cost savings when it comes to shipping. Merchants can look to cut costs in contract negotiations and explore various packaging options.

Improving Carrier Price Through Negotiations

To combat increased carrier rates, negotiate your contract with your shipping provider. Improving your carrier price could boost not just profit for your ecommerce business, but your competitiveness within your marketplace. — *Executive Summary Report: Shipping & Delivery*

Changing Packaging Options to Save Money

Expand packaging options to save. Changing your packaging options can not only save you money on shipping costs and possibly gain long-term customers but also reduce your costs and warehouse space for storing delivery boxes. — *Executive Summary Report: Shipping & Delivery*



Renegotiating a Parcel Pricing Agreement

"Shippers should identify the impact of add-on fees for residential deliveries, extended areas, fuel surcharges, weekly service fees and other handling charges. There are more than 100 of these accessorial charges that make up to 30% of overall shipping costs. Quantify which surcharges have the greatest cost impact on your business and target those accessorial charges for waivers or reductions during negotiations." — *Rob Martinez, president and CEO of Shipware.*

Adding a Parcel Consolidator

"In addition to regional and postal options, consider adding deferred, residential ground alternatives to your website; these may take a day or two longer — but at a fraction of the cost. Parcel consolidators specialize in lightweight, low value, residential deliveries at rates often lower than USPS pricing. Other benefits include improved shipment visibility and less handling and damage." — *Rob Martinez, president and CEO of Shipware.*



DAMAGES IN SHIPPING

Damages in shipping will sometimes be inevitable, but they are also preventable. Anne Embrey, vice president of continuous improvement for Replacements, LTD, offered these three tips to reduce and eliminate damage on customer orders.

Testing Packaging Materials

Test all new packaging materials internally and with your vendors to ensure safe and damage free shipments to your customers.

Making it Right with the Customer

When damage happens, make it right with the customer as quickly and easily as possible.

Track all Damaged Data

Track data for all damaged and lost items to identify and address trends within the operation.

SHIP-FROM-STORE

In order to compete with today's multi-channel retail environment, it is vital that retailers provide access to merchandise where the shoppers want it. In order to execute this plan, merchants are implementing ship-from-store as a shipping option for consumers.

Here are some tips on how merchants can begin offering the ship-from-store:

Perfecting Same-Day Delivery

Make sure you have solid visibility of the products in stock both online and in store. In order for retailers to perfect same-day delivery, they need to have the right e-commerce platforms that can easily and quickly identify what is in stock online what is in stock in store. —*Same-day Delivery Means a Focus on Brick-and-Mortar*

Remember Your Store Associates

Retailers need to offer incentives to store associates. Your employees at bricks-and-mortar stores need to receive motivations to move product outside of the store and be compensated just as your ecommerce personnel will be. —*Same-day Delivery Means a Focus on Brick-and-Mortar*



Provide the Right Training and Supplies

"Be sure to provide adequate training and supplies for ship-from-store to protect your brand and customer experience. We've seen some shocking packages from stores in our SmartHub® studies." —*Melissa O'Keefe, Sr. Director of eCommerce and Marketing, Immotrac.*

Handling the Ship-from-Store Option

Merchants that want to implement the ship-from-store option should first make sure that the size of the traditional store is suitable for handling the new option. Make sure the space gives you ample room for picking, packing and shipping and that it has the correct technology installed. —*Special Delivery*

An Effective Order Management System

Order management systems can help small retailers determine the nearest warehouse location to a certain customer in order to streamline the inventory management and shipping processes. Small to mid-size businesses (SMB) are then able to experience similar benefits of ship-from-store as large retailers. These include preventing the need to have duplicate inventory in a centralized warehouse or to store inventory in-house, managing inventory across multiple sales channels, reducing shipping time and related costs, and improving overall customer satisfaction. —*Ship-from-Store is No Longer Just for Larger Merchants*

Three Ship-from-Store Components

Ship-from-store movement consists of three different components — complete inventory visibility, order from store, and stores as a distribution node. —*Ship-from-store Distribution: Is It Right For You?*

SHIP-TO-STORE

Offering an excellent customer experience by providing a ship-to-store option is one of the many convenient shipping trends merchants will want to think about.

Here are four tips on what to consider if you are thinking about a ship-to-store option:

Offering a Fluid Shopping Experience

To deliver an optimal customer experience with in-store pickup options, ensure the experience is as fluid as possible. Can customers easily find the pickup location upon entering the store? Is the process fast and efficient? Do you offer several payment methods, such as pay-ahead online or in-store payment, and is it easy for customers to check out? Do employees ensure customers receive the right items, ask if they need any further assistance, or offer relevant up sell options? —*3 Tips to Get Ready for In-Store Pick-Up*

Maximize Customer Satisfaction

Ship-to-store is about satisfying the consumer; ensure the flow of goods to maximize customer satisfaction. —*Ship-To-Store In An Omnichannel World*

Offering Mobile Coupons

When customers arrive to pick up their products, as a retailer gives them what they want, send them instantly-redeemable mobile coupons. —*3 Tips to Get Ready for In-Store Pickup*

Having a Rules Engine In Place

Retailers will have to decide which stores will be allowed to fulfill orders or feature in-store pickup. Further, having a rules engine in place to decide whether multi-line orders or single-line orders are sourced to stores is critical to execution—and accuracy. —*3 Keys for Using Stores as Distribution Hubs*