SMALL PARCEL SHIPPING STRATEGY 101

The Ultimate Guide to Small Parcel Shipping by DesktopShipper

DESKTOPSHIPPER

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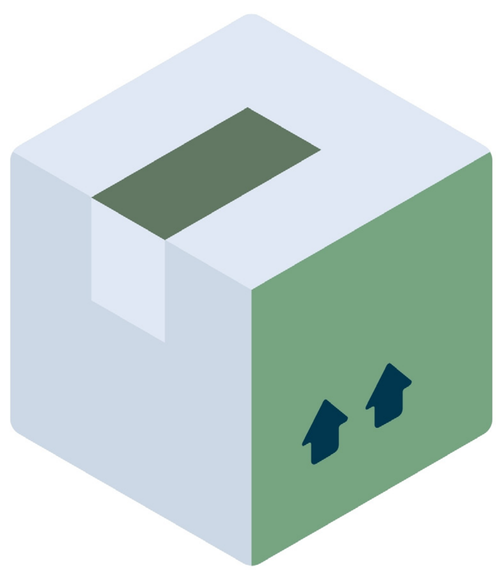
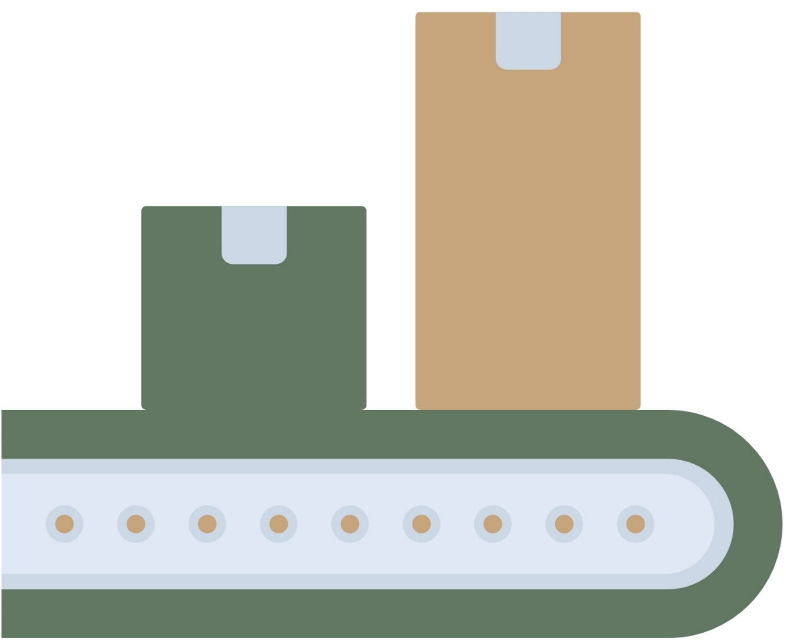


INTRO

Welcome! If you have downloaded this e-book, we guess you are either a newly operating e-commerce business (*in which case, congratulations!)*, or you're a forward-thinking CEO who is looking for more efficient ways to ship orders. Either way, you've come to the right place. This e-book is all about assessing your supply chain methods, learning market share, understanding what your consumer wants, and building an incredible shipping strategy.

Small parcel shipping can be very complicated and frustrating unless you properly prepare. In baseball, the adage is that defense is 80% of the game. Without good defense, it is almost impossible to win. As we advance, think of your shipping strategy as your defense. Be prepared and understand that your products wouldn't get to your customers without proper planning. Just like baseball, shipping is 80% of the e-commerce game.



Let's Get Started!

CHAPTER ONE

What Is Small Parcel Shipping?

Small Items, Not Small Quantities

DesktopShipper defines small parcel shipping as a term used regarding shipping lighter and small boxed items weighing no more than 100 pounds. It applies to companies that are sending small packages directly to consumers. Though some e-commerce companies ship products exceeding 100 pounds, it is still considered a small parcel if it is being shipped directly to consumers.

If you are an e-commerce company, you are probably familiar with another shipping method, freight shipping, which is used for large order quantities and is relative to B2B shipping. Shippers pay for space taken up in a shipping container rather than packing every item separately, regardless of how it's transported.

Though freight shipping is important, DesktopShipper's focus and expertise remain on small parcel shipping. Small parcel shipment in the United States is mainly run by the e-commerce industry and is an ever-changing system. Published by Spend Management Experts, according to the most recent shipping index from Pitney Bowes, "global small parcel volume surpassed 100 billion in 2019, reaching 103 billion - a 17.7% year-over-year increase. That equates to 3,248 parcels shipped every second."

Though the numbers are not yet in for 2020, in 2019, Statista also reported that "parcel shipping volume in the United States reached 14.7 billion packages, making roughly 14 percent of the global parcel shipping volume. In that year, the U.S. generated 119 billion U.S. dollars in parcel revenue." Carriers hold power to determine shipping fees, delivery time, and available shipping methods. As customers of the carriers, e-commerce companies have only a small influence on how this supply chain works. Knowing your supply chain and consumer needs allow companies to make necessary adjustments to ensure a smooth delivery.

3,248 *parcels shipped every second in 2019 as reported by Pitney Bowes*

CHAPTER TWO

Understanding the Cost of Small Parcel Shipping

The (Not So) Hidden Costs of Shipping

Implementing "good" shipping strategies result in your company being rewarded with customer loyalty, new customers, and the ability to spend more time on the other parts of your business. Working with "bad" shipping strategies costs time and money and leaves customers and retailers alike with headaches.

Shipping costs companies millions of dollars a year. When you are an e-commerce retailer, it is standard to ship the purchased order to the customer, rather than them being able to pick the order up. That means it is nearly impossible to avoid shipping costs. In the past, companies have attempted to leave shipping fees for the customer to pay, but studies show that shoppers don't like that. The National Retail Federation (NFR) found that 75% of U.S. consumers expect "free shipping" even on orders under $50. Consumers' desire for free shipping has evolved overtime with big box stores and marketplaces, such as Amazon, setting consumers' expectations.

In 2019, Walker Sands performed a study on what motivates consumers to follow through with a purchase. Of the 1,400 US consumers surveyed, 9 out of 10 said that free shipping was the No. 1 incentive when asked what would make them shop online more often. So, if you're not offering free shipping, you are most likely not getting large quantities of orders.

If your company were to offer free shipping for every customer, the cost adds up fast. When looking at average retail shipping costs, a medium-sized parcel sent through USPS can cost shippers around $11.50. That means in order to provide a "free-shipping" offer to customers, that cost will need to be covered. Though shipping costs fluctuate based on item specifications and destinations, there is a considerable loss. Let's do a quick, hypothetical calculation:

1,000 packages a month

$11.50 per package

1,000 x 11.50= $11,500 per month

$11,500 x 12= $138,000 per year

In this example, $138,000 per year in shipping costs will need to be made up in other ways. It makes you think, is offering buyers free shipping worth it? YES! According to CRO company, Invesp, "93% of online buyers are encouraged to buy more products if free shipping options are available, whereas 58% of consumers add more items to cart to qualify for free shipping."

Costs to Ship: How Do Companies Afford It?

So, now that we established the benefit of offering "free shipping," let's talk about what factors determine small parcel shipping costs and how to cut corners.

Know Your Margins

It is important to be aware of your profit margins vs. the cost for shipping each item. Let's talk about the e-commerce powerhouse, Amazon. Contrary to many of its customer's beliefs, Prime shipping isn't free. Consumers pay for two-day "free shipping" with a yearly membership fee. Other companies have since adopted Amazon's method, hosting a similar system where customers pay a subscription fee to receive "free shipping." This is because these companies understand that customers value the concept of "free shipping" above all else. Utilizing the subscription method is their way of offsetting shipping costs and keeping profit margins high but it is not a method of everyone. This is why it is essential to know your margins. Customers are more likely to purchase a product that has free shipping but may cost more than other competitors selling the same product. Understanding your margins, allows you to add the shipping cost to your products price to incorporate "free shipping".

Commercial Pricing

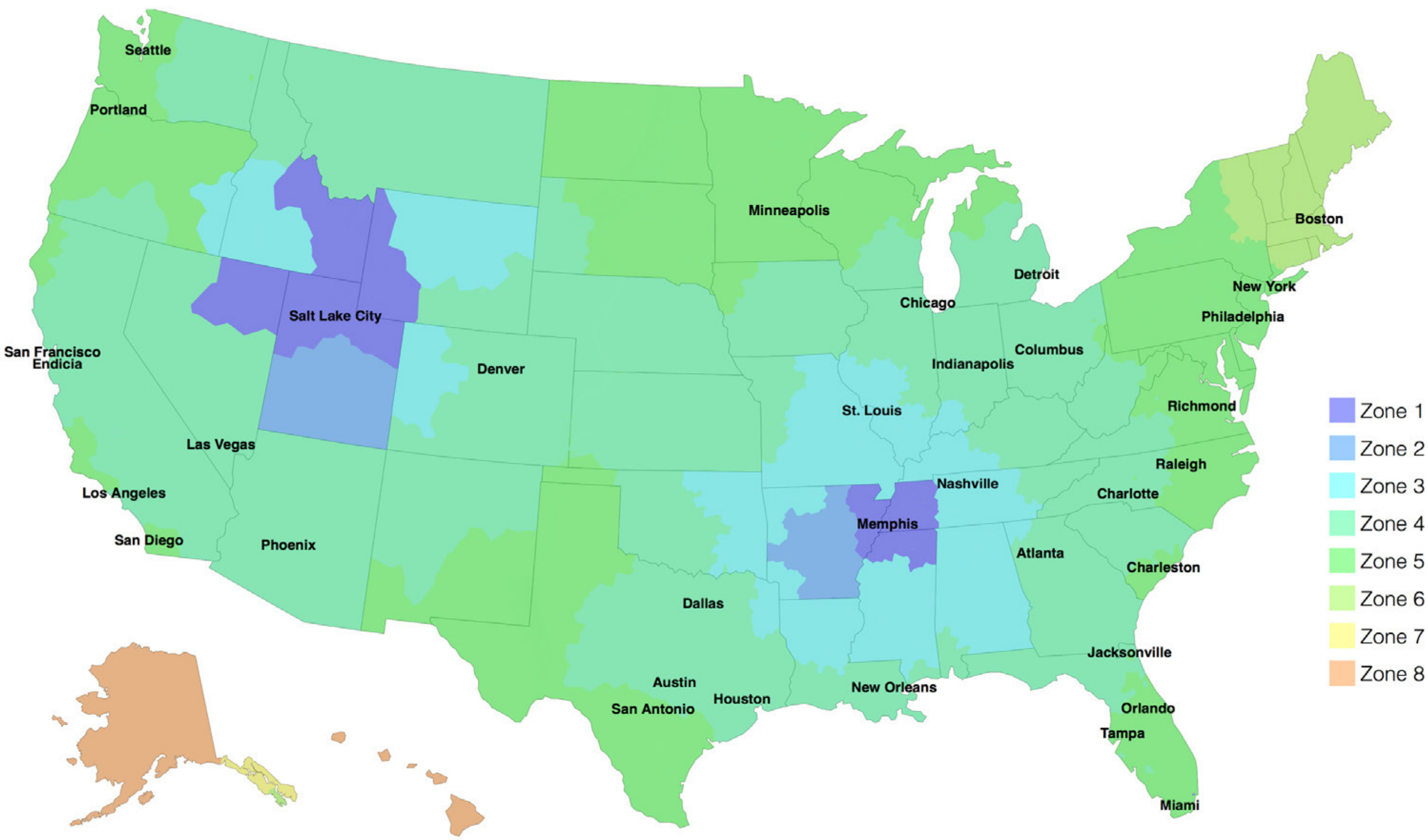
Every carrier/service has different ways to price their shipping. Every year and season shipping prices are going to change. The best thing to do is to create an account with the shipping carriers you wish to use. Depending on the shipping volume, companies offer commercial pricing to businesses, which means discounted shipping costs! Every carrier or service offers different things, and it generally depends on what you're shipping, how often you send, and where you are shipping.

Avoid Errors

When looking for ways to reduce costs, two of the most common shipping mistakes companies make are shipping the wrong item (albeit the wrong size or wrong inventory item) and shipping to an incorrect address. When the time is not taken to double-check these two items, it is on the shipper to fix the issue by replacing the wrong item or tracking down the original shipment to get it to the right place. Both scenarios cost the shipper time AND money. By working with a shipping solution with built-in error-avoidance features, such as *DesktopShipper's Scan Verify* and *Address Validation*, many of these mistakes can be reduced or completely avoided.

Shipping Zones

Shipping Zones are a huge determining factor to establish the cost of shipping. Though every carrier determines zones differently and may even call it something different, shipping zones are an essential part of small parcel shipping. We are going to use USPS as an example since they pioneered the term shipping zones. Shipping zones are designated by the USPS and determined based on the package's origin to its final destination.



Courtesy of Visible Supply Chain Management. Click to Enlarge.

Shipping Zones Defined by the USPS:

Zone 1: 1-50 miles
Zone 2: 51-150 miles
Zone 3: 151-300 miles
Zone 4: 301-600 miles
Zone 5: 601-1000 miles
Zone 6: 1001-1400 miles
Zone 7: 1401-1800 miles
Zone 8: 1801 miles or greater
Zone 9: Designated for Freely Associated States such as Guam, Palau, and other U.S. Territories.

To determine the zone, you will choose your zip code and then enter the customer's zip code. It is important to note, every time a shipment enters a new zone, the cost increases incrementally. That means by the time a parcel that weighs less than 5lbs. moves from Zone 3 to Zone 4, shippers could increase their shipping costs by 14% depending on the chosen carrier and weight of the box. Carriers determine the price, making shippers technically at their disposal.

Know Your Customers' Locations:

Because shipping zones have a significant impact on shipping costs, knowing where your target market is based can help your bottom-line. For example, if you sell surfing gear, you probably don't want to be based in a land-locked state like Nabraska. A majority of your customers will be on the coasts, which means your items will be crossing multiple zones, costing you more money. But what if you have a target market that spans across the country?

Have Multiple Distribution Centers

Having multiple distribution centers allows you to meet your customers where they are while reducing shipping costs for you and your customers.

Ship From Middle America

Multiple e-commerce shippers have adopted the Ship from Middle America strategy to reach both coasts for cheaper and faster deliveries.

Choosing the Right Packaging

When focusing on your small parcel shipping strategy, there are many things to consider as you are packing orders. Not only do you need to keep in mind the cost of boxes and mailers, packing materials, and even your employees' salary for packaging up the order shipments - the size and weight of the orders are both elements that need to be considered.

Package weight is the most common method in determining shipping costs, but there are other methods that bypass weight pricing. By utilizing Dimensional Weight, carriers offer standardized shipping solutions with a "if it fits, it ships" mentality. Two dimensional weight shipping options offered via USPS are Cubic Pricing and Flat Rate Shipping. USPS negates the weight of packages with these options, instead focusing on the box dimensions, which greatly benefits the shipping price.

Additionally, it's essential not to waste space. When improper packaging for an item is chosen, this can result in higher chances of damage to the order and added costs and liability. Because the size of the package affects the cost of shipping, a great way to reduce costs is to reduce box size, making sure that the box fits the products being shipped with little to no wiggle-room. This becomes a simple task when shippers invest in infrastructure, like DesktopShipper, that automatically chooses the correct shipping box size based on the customer's order.

Keep Up-to-Date

The shipping industry is ever-changing. Nothing is more detrimental to the success of your company than staying stagnant. Understanding carrier price changes and new technological solutions to make business more accessible or cheaper allow you to know your customers better. Whether keeping up to date with the industry means putting google news alerts or heavily relying on your partners, it is crucial to your business's success. Please keep up-to-date with this industry!

CHAPTER THREE

Shipping Strategy

Supply Chain Management

The Supply Chain is a significant part of any successful e-commerce business. We could focus on the back end of the supply chain, such as product procurement and freight shipping, but when it comes to shipping strategy, the two most necessary steps to supply chain management include manufacturing and operations and logistics and transportation.

Now, let's dive in:

Inventory and Operations

An important decision that shippers will need to make is that of production vs. procurement. Procurement means you'll be picking/sourcing all inventory. If you choose to produce goods, you'll need to invest in manufacturing and assembly for self fulfilling orders.

When producing goods, you can quickly put together products or parts and pieces that need to be assembled. It's best to create an efficient workflow model and not get stuck assembling the product at the same time as packaging for shipment. That makes for an unsuccessful shipping strategy.

Regardless of inventory methods, verifying all orders ensures that the products being shipped match inventory records. This step is where order management starts— customers don't like when they purchase an item and then receive notice that it is no longer in stock. It makes for an inadequate supply chain and poor customer service. The best way to stop miscommunication between platforms is to implement order management software and perform inventory counts and quality checks.

During this part of the supply chain, make sure you are also keeping track of shipping supplies. Successful order management means managing supply products on hand and all the supply stores needed to ensure no delays in sending goods to clients. Nothing is worse than delaying a shipment solely because you ran out of boxes and must wait for your box supplier to ship more to you.

SHIP TIP

Another thing to keep in mind during this part of the supply chain is your company's goals. If your goal is to be a green company, make sure that your supply chain process aligns with these goals. Is your goal to have quick, fast, and reliable service? Make sure you hire a supply chain specialist who focuses on this area. It might take many tries, but keeping aligned with your vision and mission helps your supply chain directionality.

Logistics and Transportation

Logistics and Transportation is where the small parcel shipping kicks in. Logistically, how are you going to get your packages to your customers? Unless you are a large procurement company like Amazon, or a subscription-based company like Imperfect Foods, who have created their own shipping infrastructure, most e-commerce companies are subject to using existing parcel carriers. Working with reliable carriers is the best way to ensure shipping success and customer satisfaction.

When it comes to shipping packages, keep in mind that customers have certain expectations. "Temando's data found that 80% of shoppers surveyed want same-day shipping, while 61% want their packages even faster." The best way to meet customer expectations is by working with trusted carriers that align with your company's goals. Regardless of a customer's desire for quick delivery, or to re-route packages posttransit, e-commerce companies are subject to rules and regulations set by the carriers. By choosing the right carrier(s) to support your customer's needs, you can limit the number of upset customers in the future.

In 2018, a survey by eMarketer reported that "98.1% of U.S. internet users agreed that shipping impacts brand loyalty," and that "there has also been a rise in consumers wanting to have more control over deliveries." While you can't always give the customer complete control, having clear and conscious communication about what is and is not available when it comes to shipping is vital. Keep customers informed by using tracking information and follow-up emails to ensure customer expectations are met if not exceeded.

98% *of surveyed US Internet users add more items to their cart to qualify for free shipping*

Connecting to Your Marketplace/Website

Supply chain logistics can only work as well as you do. It can be overwhelming when working hard on your supply chain, and you spend more time than expected. Supply chain logistics are best partnered with reliable technology. Self-fulfillment technology includes order management software, marketplaces, shipping solutions, tracking software, and any other technology specific to your industry. Technology that stacks is a great way to manage your fulfillment. Connecting your marketplace to your order management software, shipping solution, and tracking software is crucial to a successful e-commerce supply chain.

Working with multiple marketplaces is both common and highly recommended for e-commerce sellers. Using a shipping solution that integrates orders from all of your marketplaces in one centralized system is a great way to ensure you're meeting customer demand.

SHIP TIP

DesktopShipper is a fully stacked shipping solution that takes one less headache away from your supply chain. Being named one of the top Order Management software tools in 2020 by Software Advice we are fully aware of the importance of syncing your marketplace with your order management as well as with your shipping software.

CHAPTER FOUR

Setting Expectations for Customers

Building Trust

Shipping is a large part of customer service when you run an e-commerce company. According to Microsoft, in 2017, 54% of customers have higher customer service expectations today than one year ago. This percentage jumps to 66% for consumers aged from 18 to 34 years old. Customer service is also deeply ingrained in building brand trust. Customers want to make a relationship with companies. GetFeedback, a customer surveying site, notes that buyers who feel like they trust a seller are going to spend 67% more than new customers.

> *Buyers who feel like they trust a seller are going to spend*
>
> **67%**
>
> *more than new customers*

The real question is, how do you build trust? Set expectations and meet or exceed those expectations with your clients. Setting expectations in the world of e-commerce essentially comes down to transparency. Make sure you post information multiple places on your website and then follow through on those commitments.

What are some items you should be communicating to customers?

Purchase Agreement

Though this term generally is associated with freight shipping and B2B, it should be interchangeable with e-commerce. When you can successfully layout how much items cost and outline product descriptions, customers are less likely to make a return. Keeping purchases equates to customer satisfaction. The #1 reason consumers return products is because the item doesn't fit the description. Digital Commerce notes that between 34%-46% of consumers return an item because it was the wrong size, fit, or color.

Specify precisely what buyers will receive when their product arrives—the more descriptive, the better. Consumers want the product to be just right, and no customer wants to deal with the pain of returns. Make it a win-win situation for all, and be overly descriptive of what they will get when purchasing from your company.

Tracking Information

This generally comes post-sale in the form of an email. The tracking information goes out once the carrier has given your company the tracking number. This is when you would inform the customer of when they should be receiving their package. Remember, you're not off the hook! Just because you passed along the information doesn't mean that you should expect to not communicate with your customers.

SHIP TIP

Once you know the customer has received the package (according to tracking information), it's time to check in with them and see how they like it! That does not mean asking them to review the product right away. Once they have confirmed they either love it or want help returning, it is when you ask for their next purchase or customer review.

Shipping Policy

What kind of experience are you giving your customer? As stated in the intro, shipping is 80% of your e-commerce game. Customers are expecting fast, free and reliable shipping from their e-commerce sellers. E-sellers need to make sure their shipping process exceeds their customers expectations to guarantee customer retention. It is important to be transparent about speed and visibility from the moment your customer makes a purchase to when it shows up at their front door. Remember it is important to build trust with a customer and meet their expectations. That starts with a well-thought shipping policy.

A successful shipping policy should map out which types of shipping services are offered, how much each service costs the consumer, the average shipping time estimation, and when they should expect their items to be shipped. It can also include which carriers your store uses, your return policy if you ship internationally, a specific international shipping policy, and any other pertinent information. You can never be too specific.

Return Policy

Similar to your shipping policy, the return policy is setting up how and why you return items. The return policy generally includes how long the customer has to return, is it return-free, or does the consumer need to pay for the return shipping. Is it store credit or refunded to the original form of payment. All these questions need to be answered before the consumer even makes a purchase. Make sure the shipping policy and return policy are in the same area so that customers can understand what the return policy entails. Be specific and have a place for the customer to contact a real person to get extra information.

Click on the following links to download our FREE Policy

SHIPPING POLICY

RETURN POLICY

CHAPTER FIVE

Choosing your Carrier(s)

Ship with Confidence

If you are not one of the big guys investing in shipping fleet, then you're probably on the hunt for the best carrier to work with. First, we want to debunk a common misconception in shipping: you can't work with more than one carrier. In fact, we encourage you to work with more than one carrier! It is not just to get the best deal on pricing but to gauge who is the best carrier for your customers and your company. Not every service will match with every business—There are a massive amount of delivery services of every size that can fit with any niche market.

That being said, how do you pick a carrier(s)?

Work with Both Big and Small Carriers

As mentioned before, there are many different carriers from which to choose. Naturally, larger carriers are more well-known and often trusted in the e-commerce industry, but there are shiploads of consolidated and regional carriers that offer e-sellers great benefits too. When you work with DesktopShipper, you can implement multiple carrier partners into your account, building a personalized solution that rate shops shipping costs based on pre-set preferences. This helps secure the lowest shipping options available to you. We encourage sellers to work with multiple sized carriers to test out which options work best.

SHIP TIP

Work with your local carriers! Multiple cities around the nation have local carrier services of different kinds. Working with a local carrier is a great way to diversify your shipping strategy.

Know Your Customer

Another determining factor to picking a carrier is knowing your customer. The United States is massive, and although almost every carrier will ship to all cities, not every company will take it the last mile. USPS is the only service that delivers to every single address in the United States. If your customer is more rural, you'll want to build a close relationship with the USPS. Additionally, if your customer is international, you'll need to work closely with carriers specific to those countries.

Choosing trusted carriers are an essential part of customer service because the carriers you chose become an extension of your brand. A good carrier for customers is one that offers detailed tracking and the ability to keep your customers informed during the delivery process. Customers having a good delivery experience will reflect positively on your company, so make sure they share common goals and values, and that your customer comes first.

Remember, you don't have control over the package once it is in the carrier's hands, but you can control which carrier you give your business. Don't know where to start? Check out our trusted carrier partners here.

Scheduling Pickups

Congrats! You've picked a carrier, and it's time to start delivering those orders! Besides creating an account and working with a carrier rep, you need to decide when you want your packages picked up. Though the term "Carrier Pickup" was trademarked by USPS, the sentiment is similar with every carrier. The carrier determines carrier pickups, but generally, they come closer to the end of the day. Most carriers will specify that the shipment won't go out today until noon, but typically next day shipments will be packaged and ready only to be picked up at the end of the day. Carriers set these demands, but it is possible to get pickups twice a day. It is also possible to ship out a specific parcel by dropping it off at the carrier's storefront.

SHIP TIP

Carrier pickups are scheduled with your carrier reps and generally are based on where your warehouse is.

CHAPTER SIX

Insurance

Ensure You're Insured

One of the first three essential steps when creating a business (aside from figuring out your product or service and filing for a business license) is insuring your business. When we think of insurance and the exposures an e-commerce company has, the basic place to start is insuring the building, employees, and warehouse products. But often, guaranteeing the safe delivery of packages (perhaps the most significant liability of all) is an afterthought. Although standard business insurance is based on liability, it does not usually cover products once shipped. When a package is shipped, the ability to eliminate product damage, guarantee it's delivered to the correct address, or stop porch pirates from stealing packages, is entirely out of reach. Yet, when packages are lost, stolen, or damaged, the liability falls on the business. In other words, every package shipped creates unwanted exposure that can become costly to the bottom line. To sleep well and remove these risks, companies should look into carrier declared value coverage or a 3rd party parcel insurer like our partner, Parcel Shield Insurance Services.

What is Declared Value?

Based on the carriers you use, there will be a section called "declared value." Each carrier has a different definition for declared value, but it is essentially used for businesses to inform the carrier what your package is worth when submitting a claim later. Most major carriers include some level of declared value coverage without incurring any added fees. Any package with a value that is more than the included base coverage will be an additional cost for your company. If an item is lost or damaged due to the carrier, i.e., it happened because of a carrier mistake, you can file a claim with the courier for the value of the items, up to the amount you indicated in the declared value field. Declared Value claims are typically limited to reimburse the business the lesser of the costs to repair the item(s), the actual replacement cost, or the cost to manufacture the items. The declared value does not reimburse you for the retail value of the goods sold.

It is wise to file a claim with the carrier based on every broken, damaged, or undelivered package at your company's discretion. Regardless of the requested claim's standing, it is still the company's responsibility to resend the item(s) to the customer.

What is Third-Party Parcel Insurance?

Third party parcel insurance providers offer an alternative option to carrier declared value coverage. Typically, third-party insurance companies provide:

Broader coverage	*Quicker turnaround on claims*	*Coverage for the total retail value*	*Lower rates*

The most significant value a third-party insurance company can provide is a greater claims experience. “We’re more than just shipping insurance,” said Dylan Scott, President of Parcel Shield Insurance Services, whose business operates under the name Parcel Protection. “We’re the silent partner a business needs to take the leap and expand into different markets, try a new shipping carrier, or ship internationally without worry.”

Each third-party insurance company has its process and required documents to get a claim successfully paid. “I don’t know how businesses can juggle different claims procedures for the different carriers they ship with. This creates excessive work and is a terrible waste of resources. Our approach has always been to simplify the lives of clients and their teams, which means we offer a universal claim process regardless of the carrier used, and we’ll never ask our clients to submit a claim with the carrier first.” Mr. Scott continued.

While dealing with claims can create challenges, if you are quickly reimbursed and the experience is transparent throughout, this allows your business to focus on selling. Scott added, “When choosing a company to insure your products, my formula is simple: Align your business with an insurance company that has a strong moral compass and a true desire to find every reason to pay your claims quickly, transparently, and be there for you; when you need it most.”

If you are selling high-margin items, we encourage you to add in the cost of insuring each package into the consumer’s expense. The addition of this cost would be a hidden fee they do not see, but your company can rely on that additional revenue to pay for the added insurance every time that item is purchased. This is similar to the “free shipping” concept that e-sellers should incorporate into the product cost.

Consider Risk

When determining if you should invest in insurance, it is crucial to consider risk. Shippers can do this by reviewing what types of items are shipping and where they are going.

Item Type
Understanding what you are shipping is essential. If you send an order such as furniture that needs to ship in multiple boxes, and one item is damaged in the process, the customer cannot correctly assemble the order. An issue like this increases company risk. When orders are split into multiple packages, it is more likely that at least one product piece will be damaged in transit. Additionally, think about items that are more likely to be stolen. High-end brands and more expensive products are more likely to have packages stolen. Help prevent this by choosing to keep packaging un-branded, requiring a signature for delivery, or paying for parcel insurance.

Destination
When we think about the number of stops your parcel takes to get to a destination, it's logical to believe the shorter the distance the parcel travels, the less likely an issue will arise. For example, is it worth it to ensure a package that is only traveling within the state? Studies show it is less likely to get lost or damaged when it has a shorter distance to travel, but does that remove the rampant porch pirates from picking up a package from a customer's doorstep before they can get home to receive it? This means it is usually in your company's best interest to insure (at minimum) international shipments since they have a higher likelihood of getting lost or damaged in transit but don't rule out stolen packages that occur every day domestically. You can add in the price to insure the package to the shipping or product price. Once again, it would be a hidden cost to your customer, but your company will never see the extra cost added to revenue.

What's Next? How to Insure Your Packages

Congratulations, you have weighed all of the risks and costs associated with insuring your packages, and you've decided to move forward with insuring your shipments, but how? There are multiple ways that you can insure your packages. You can specifically work with the carriers you use to insure each package. You can hire a specific company to insure your packages as well. There are companies dedicated to parcel-specific insurance. Whether you choose to insure or not to insure your parcels, you need to weigh all of the options. We suggest you take as much data as possible to determine the volume of lost, stolen, or damaged parcels. What are you willing to invest in your company to ensure your bottom line is protected?

CHAPTER SEVEN

International Shipping

Cross-Border Orders

International shipping can be very lucrative, but it does affect your margins. With that said, with the right strategy, it's not as costly as one may think. Every international shipment requires shippers to fill out a customs form specific to the country they are sending goods. Offering international shipping can become a timely task, but with DesktopShipper, customs forms are automatically filled out based on the order's information from your marketplace.

When deciding if international shipping is right for you, keep in mind these questions:

Is There an International Market for Your Product?

The #1 mistake companies should avoid making is investing in supply-chain infrastructure to sell their products internationally, only to find out that there is no global market for their product. What may sell well domestically, might not hold the same value in an international market. Regardless of your company's size, you may need to re-invent your products that are popular in the U.S. to meet international clients' demands better. Spend time investing in market research before you invest in global infrastructure and when starting out, focus your efforts on international countries you think will benefit from your product the most.

What International Carriers Will You Use?

Like the United States, many countries offer multiple carrier and shipping options. Shipping carriers that you utilize in the United States most likely are partnered with international carriers. When starting out, talk to your current carrier reps to see what options are available. If you trust one carrier in the U.S., you are more likely to trust their international partner too.

How Well-Packed Are Your Products?

If your products are going a long distance, keep in mind how well your packages are secured. If you're shipping fragile items, it might be best to invest in a large and secure package instead of risking a broken package.

Do You Need To Add Additional Marketplaces?

When you ship and sell in one country, there is less to worry about. When you trade in a new country, you need to make sure your website or marketplace is available for people in that country to shop. Every single country has particular internet restrictions, guidelines, and taxes and duties. While there are very technologically savvy customers who can access other countries' websites, it's not that easy for everyone. Making sure customers can access your company's product is a massive part of shipping internationally.

SHIP TIP

Make sure that your product descriptions have changed to meet that country's measurements and currencies. Don't make them do the work! Customer service first!

How is Tracking Going to Work?

International tracking can become confusing. When you ship from the United States to Europe, you are shipping partly through U.S. carriers and completing the delivery through European carriers. Though it might be in the carrier's hands to figure out how your package will get from point A to point B to point C, it's your job to update the consumer. Use trackable service options with your chosen carriers to help keep up transparent communication with your customers. You don't need to email them every day, but international shipping can take weeks to months to arrive, so it's important to keep them updated.

Unsure if International Shipping is Right for You?

As mentioned before, International shipping can be complicated, but if done correctly, extremely profitable. You may not get it right on the first try but learning from mistakes and adjusting your strategy can help you become successful. If you aren't sure how to build your international strategy, consult with a carrier rep or shipping solution software to help identify issues and needs.

CHAPTER EIGHT

Managing Returns

Return to (Retail) Sender

Returns are a necessary part of customer service and e-commerce. No matter how much you try to meet all of your customer's expectations, they are inevitable. They are essentially backward logistics with extra bits added into it.

Backward Logistics

When you work on returns and are solely an e-commerce business, you will most likely only deal with backward logistics. Items you should be thinking about include return labels, returning funds, and whether you will resell the item returned or just discarded it. It's also important to keep in mind if the return shipping cost of an item is still profitable or if it makes more sense to let the customer keep the item, but still refund their money. We know that there are many steps and that returns should be diligently considered, but it gets more complicated when you have retail locations.

When you allow for, or even encourage, consumers to return at your retail locations, try to keep the following in mind:

- Will you keep the items in the retail store or ship them back to the warehouse or fulfillment center?
- Are your order retail management systems different from your e-commerce management system?

Every company works and handles returns differently. There are many money pieces, but no matter how you structure your returns, ask yourself:

- Will you accept past refund window items? (If your refund limit is usally 30 days but a customer asks outide that, will you honor it?)
- Will you supply a customer with a return label?
- Will you accept any item, or will it have to have tags, or will it need to be attached or intact?

When it comes to a return policy, you can see there are many things to consider. If you can follow your predetermined policy, then ultimately, your customers will be satisfied. Think back to a time you had a horrible customer experience regarding a return -- an article of clothing came to you ripped, and when you went to return it, the company wouldn't accept the item. We've all dealt with those headaches. Companies that go above and beyond in their policies ensure that customers will come back to buy repeatedly.

CHAPTER NINE

Write Out Your Shipping Strategy

Shipping Strategy Worksheet

Our industry is always changing, and although we can't predict the future, we know that having an excellent shipping strategy will never go out of style. When you have a plan in place, you can pivot, negotiate, and succeed when curveballs get thrown your way. To help you even further, feel free to use the following shipping strategy outline to get started.

Is All Product Information Correct and Accounted For?

- ◻ Product Name
- ◻ SKU
- ◻ Weight
- ◻ Size
- ◻ Fragile: Yes / No

Do You Have Required Packaging Materials?

- ◻ Boxes
- ◻ Tape
- ◻ Shipping Material
- ◻ Paper for Printing Labels
- ◻ Paper for Packing Slips

Knowing your products' information is fundamental and can be managed on your marketplace, helping determine how much it will cost to ship a whole package. Remember to include any other supplies that you need to run a shipping infrastructure, including branded Items needed such as tissue paper, added marketing sheets/thank you cards, etc.

Have you Reviewed Shipping Policy Information?

- ◻ Carrier(s)
- ◻ Service type
- ◻ Cost to Ship
- ◻ Carrier Pick-Up Time is scheduled
- ◻ Marketplaces connected to API
- ◻ Bundle or individually ship?

Have you Reviewed Return Policy Information?

- ◻ Providing a Return Slip
- ◻ Refund or Store Credit
- ◻ Provide Customer Return Survey
- ◻ Calculate return loss of income

Remember costs can be an average to determine a percentage markup per item to retain funds and keep net profits positive.

CONCLUSION

Shipping is a crucial part of an e-commerce company. With the economy shifting to almost solely online in 2020 and continuing into 2021, consumer expectations of their order shipments have risen. They expect retail-level customer service with e-commerce efficiency. Customers know that returns and shipping won't always happen on the same day, but they hope you try and expect that service level and dedication. Many companies have made the mistake of not aligning their companies' values, goals, mission to their shipping strategy, which leaves their customers upset and confused. Don't be a company that fails to adapt to customer expectations. Know your shipping strategy backward and forwards (and backward again!) until it's been perfected, and always continue to pivot with new customer expectations and marketplace changes.

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DesktopShipper is a privately held company that provides cloud and on-premise shipping software solutions to businesses globally. With highly adaptable and cutting-edge shipping technology, DesktopShipper allows companies of all sizes to rate-shop between a large selection of carriers, automate custom business rules, and integrate with various e-commerce platforms. DesktopShipper has been in business for over 15 years and continues to be an industry-leader by innovating and developing our software to guide customers to success.