

## Shipping Best Practices

1. **Shipping options, cost, and timing should be shown in the cart.** Customers expect to see the shipping charges (and taxes) in the cart - as early on in the transaction process as possible, so there are no surprises. Understanding shipping rates and seeing threshold shipping promotions will entice customers to either add items to get free shipping or add them now instead of ordering again later.
2. **Keep shipping rates simple.** Customer sensitivity to expensive shipping only compounds customers' pain with assessing complex shipping rate calculations. To keep it simple, use tiers for shipping pricing, calculate rates by order value, or add a custom price. If you need to add an oversize charge if items warrant it, then showcase it next to the base shipping price. Ensure this information is super clear in your checkout process.
3. **Be aware of shipping cost impact on purchases. Do not try to profit from shipping.** High shipping cost is one of the biggest reasons for cart abandonment. If you cannot charge by tiers since the cost to ship some products is very high, consider charging the actual shipping rates generated from your carriers (charge cost). Short term profits from shipping can lead to overall losses.
4. **Consider free shipping promotions above your average order value to increase your conversion rate.** Free shipping is almost standard these days, and customers have come to expect it. If your AOV is great than \$70, put in a shipping promotion at \$100, and then show threshold messaging in the cart to show them that they only need to purchase another \$30 to get free shipping. Message the user continuously throughout their shopping experience about free shipping and what qualifies them for the promotion. Use A/B testing to identify the actual lift from a free shipping offer. Consider that free shipping is becoming an expectation as Amazon Prime and similar services expand.
5. **Clearly explain your shipping policies.** Putting shipping rates, countries you ship to, shipping promotions and delivery time estimates on the product page, in the cart, or in static page popup, help inform the customer of the total cost of a purchase. In the cart, shipping methods and delivery dates should be clearly explained. You should also have a detailed Terms or FAQ page that outlines your shipping policies for legal reasons.
6. **Exceed expectations when shipping.** Notify customers of the worst case shipment dates (you can do this yourself if you manage shipping, or if you integrate with a carrier, choose the last possible date) but try to process orders as soon as possible. Strive for same or next-day shipping, as this is becoming standard. Orders that are shipped after the expected ship date will cause customer dissatisfaction. Missing shipping service levels can increase calls to your service organization adding yet another cost to your business.
7. **Immediately email and post tracking in their order history.** Email shipping notifications should include links to the shipping details page the carrier's site, where the tracking information can be viewed immediately. Order history that links to tracking information encourages creation of an account and return visits.
8. **Audit your shipping costs.** Evaluate if you should charge shipping if the fees are more than ten percent of the cost of the item. Another alternative would be to bundle these types of items with other items.
9. **Use branded packaging to build brand awareness and reduce the rate of unclaimed packages.** After the shipment was received, the box may still be in the recycle bin, promoting your website; brand your boxes. Also, people who accept your shipments like to know who it is from before accepting.
10. **A/B testing can determine shipping costs and promotions' effects on customer acquisition and AOV.** If shipping promotions don't increase conversions, stop leaving money on the table.
11. **Consider using multiple carriers, ship by lowest cost.** Many retailers only ship via one carrier as it is easiest. Since each carrier calculates costs differently, using multiple carriers and selecting which carrier and method to use for each order can help you save shipping costs and reduce transit times for customers. Multiple shippers may help you offer shipping upgrades with little additional cost.
12. **Develop a shipping methodology appropriate for your products.** Different calculation methods are better for different products. If actual shipping rate calculation is not possible, developing a fair shipping methodology, and communicating it, will also reduce customers' concerns about being charged too much.

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# eCommerce Diligence™ Checklist

## Shipping Key Questions to Ask Providers

### Company

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1. How long have you been in this business?
2. How many clients have you sold? Lost? Why?
3. What size or types of clients fall into your “sweet spot”?
4. What peripheral or supporting services do you offer (e.g., technology, fulfillment, packaging, reporting)?

### Products/Services

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1. What information do you need from my company to implement your solution?
2. What optional services do you provide as part of your solution?
3. How long to integrate to your solution? What skills does my organization (or hired third party) need to integrate this solution into our business?
4. What is your process for working with a third-party technology ecommerce provider?
5. What is the process of getting our products from our distribution centers to your shipping facilities?
6. Is there a minimum amount of items needed to schedule multiple pick-ups at our distribution facilities?
7. Do you offer any type of packaging services?
8. Are there any types of products that you will not ship?

### Features

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1. Do you have a solution that I can integrate with my ecommerce site to calculate shipping? What information and data is needed? Does it calculate real-time shipping?
2. What type of tracking information do you provide as part of your service?
3. If you do provide tracking information, how soon is it available? What is the process for the customer to review the tracking information?
4. Does it provide updates to shipping times via the integration? What else does the integration provide me?
5. Do you have multiple delivery times for your overnight or 2-day services? If so, what are the price differences?
6. What is your cut-off time for your overnight services? How do holidays affect this schedule?
7. Please describe your invoice auditing process?
8. How does a customer inquire about their order?
  - a. What is the process if there is a lost shipment? For tracking it? Who is ultimately responsible?
9. Do you offer any type of services to optimize the shipping process? To minimize the shipping costs?
10. What type of reporting do you have in place to monitor my shipping process?
11. Do you have any type of analytic reporting?

### Pricing

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1. What is the pricing model for your solution? Do you offer any type of flat-fee pricing?
2. Do you offer consolidated package pricing for same day/location shipments?
3. Are there volume discounts for your shipping fees? Are there ways to reduce the costs of shipping?
4. Are there any additional fees (e.g., implementation, transaction costs, handling)?

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