

## 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; most higher-end sites do this. Understanding shipping rates and seeing threshold shipping promotions in the cart will entice customers to either add items to get free shipping, add them now instead of ordering again later, or they will feel that shipping costs are too high and leave.
- 2. Keep shipping rates simple.** Customer sensitivity to expensive shipping only compounds customers' pain with assessing complex shipping rate calculations on your site. Are they being overcharged? Can they pay less elsewhere? To keep it simple, try using tiers, calculating rates by order value, and adding an oversize charge if items warrant it.
- 3. Do not try to profit from shipping** High shipping cost is one of the biggest reasons for cart abandonment. Customers purchase more often from web sites with economical shipping rates. 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). Separate handling charges are something to avoid as they tend to make customers think that they are being overcharged.
- 4. Consider free shipping promotions above your average order value to increase your conversion rate.** If your AOV is \$70, put in a shipping promotion at \$100, 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.
- 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.
- 6. Exceed expectations when shipping.** Notify customers of the worst case shipment date but try to process orders earlier and 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.
- 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 them 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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