

# Making The Most Of Shipping

## In this section, you will learn:

- How to select the shipping providers that are right for you
- Tips and tricks to optimise the shipping process

Once a dealer decides to start selling online, shipping becomes a huge aspect of their parts counter's operations and sales. **Shipping can be a profit centre for many dealers**, but it can also be a deal-breaker for many owners when shipping costs are too high.

## SHIPPING OPTIONS:

The SimplePart platform supports several major shipping carriers. For small orders and anything that will fit in a flat rate box, we recommend using **Australia Post** because it's often the most cost effective option. Often, you can charge owners a lower rate and make more gross profit utilising Australia Post. For larger items like bumpers and grilles, **your preferred big and bulky shipping provider can also be considered**.

### NOTE:

Do utilise local pickup, as consumers who choose this option are 13% more likely to convert a sale. Which increases conversion and sales of non-shippable items.

## SHIPPING TIPS:

Avoid under-charging for bulky or heavy products: On average, **2% of orders will include an item requiring additional shipping fees**. To cover this, dealers can set a **fixed shipping rate** specifically for these items by part number, or by an entire category.

According to a survey done about retail shoppers' shipping expectations, **62% of shoppers expect free shipping on their orders**. What's more, **further studies report that shipping fees are frequently named as one of the main reasons for cart abandonment**—with an average abandonment rate of 69.8%.

With these statistics in mind, try to offer **competitive shipping rates to customers**: Cheaper or free shipping means more attractive prices to owners, which ultimately leads to increased conversion rates and more sales.

### NOTE:

According to a McKinsey report, retailers should deliver the product quickly to create repeat buyers, as 90% of eCommerce consumers expect a three-day shipping time in general for their orders. Do pay attention to orders' shipping time!



# SHIPPING STRATEGIES

## In this section, you will learn:

- How you can optimise your pricing strategy so you can offer free shipping
- How you can set up shipping accounts to send parcels faster and for less

Let's continue by going over **free shipping**—it's everywhere in eCommerce. According to a **2021 report on consumer shipping expectations**, an overwhelming **83% of consumers prefer free shipping** when given the choice between free shipping and fast shipping. Furthermore, a 2019 survey found that **free shipping leads to more sales**: 84% of shoppers have specifically made a purchase because shipping was free, and 30% said **they always increase the size of their orders** if it qualifies them for free shipping.

As more and more shoppers are coming to expect free shipping when they purchase online, how can you help your dealers take advantage of this trend?

Here are some examples:

- **Set a free shipping threshold.**  
We recommend setting it at 10-15% above your existing Average Order Basket (AOB)
- NOTE:** Dealers should set a free shipping threshold that makes sense for their dealership.
- Bake some or all of the **shipping cost** into the price
  - Market free shipping by **running promotions**
  - Select the most **cost-efficient shipping carrier**

Keep in mind that offering free shipping is not a necessity, but merely another tool to drive sales.

## STREAMLINE YOUR ORDER PROCESSING PROCEDURES

**Set up a schedule** that works with high order volumes, stock order deadlines and shipping carrier pickups. Negotiate shipping carrier pickup times with all of your carriers. Review and receive orders as frequently as possible. Optimally, you should try and receive orders once at the beginning of the day, and once before the stock order deadline. Accept orders on Saturdays if you're able to. Process orders according to your stock order deadline or shipping carrier pickup times.

# SHIPPING STRATEGIES (CONT.)

## CONSIDER PACKAGING AS A PROMOTIONAL TOOL FOR YOUR DEALERSHIP

After all, your packaging to a customer is an extension of your physical store. Make sure you make a great impression, one that stimulates customer loyalty and repeat sales.

Package everything properly, especially when shipping expensive and fragile items. Don't be stingy when it comes to packing peanuts and bubble wrap. Keep a variety of box sizes on hand. Imperial Cartons, NewPack and Australia Post offer a large selection of box options. See if your carriers offer free boxes and make sure to keep Australia Post flat rate boxes on hand.

Include promotional material in your packaging, such as coupons and discounts, to stimulate additional orders. Consider including a "Thank You" note as well. It can go a long way to help turn your customer into a loyal, long-term client.