

5

Ways to spend less on shipping and keep your customers happy

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Shipping costs can significantly impact a retailer's profitability, making it crucial for businesses to find effective ways to mitigate these expenses while ensuring customer satisfaction. As the ecommerce industry continues to flourish, the need to strike a balance between cost reduction and maintaining high levels of service becomes even more apparent.

In this eGuide, we will delve into five comprehensive strategies that can empower you to achieve this delicate equilibrium, helping you optimize your shipping processes and lower your bottom line.

-  **01. Embrace regionalization**
-  **02. Ship less air**
-  **03. Rethink shipping speed**
-  **04. Reconsider your carrier mix**
-  **05. Improve your returns process**



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Embrace regionalization

Regionalization means storing inventory in different regions to serve customers faster and at lower cost. Amazon, who embraced this strategy post-COVID, was able to reduce its number of touches per package by 20% and now fulfill 76% of its deliveries within region.

However, regionalization isn't feasible for all businesses. It requires careful inventory management and predictive analysis. If you can't regionalize, consider zone skipping. This approach involves shipping thousands of parcels on a trailer from one location to a further distance and then inducting them into a regional network, reducing handling times and costs.



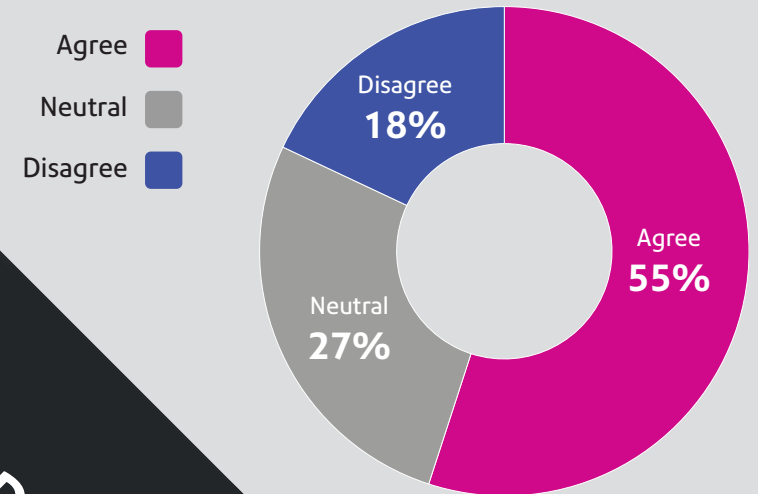
03

Rethink shipping speed


While free 2-day shipping may impress customers, it's not always necessary. In fact, over half of consumers surveyed by Pitney Bowes said they value accurate delivery dates over fast shipping, which they define as a little over 3 days for most product categories. Retailers can save on transportation costs by using a deferred service for their standard shipping.

Moreover, as consumers become increasingly mobile, flexibility via the number of shipping speeds offered at checkout is becoming more important. Offering a range of delivery options and precise delivery windows can help meet customer expectations while keeping costs in check.

An accurate estimated delivery date is more important to me than fast shipping



Source: Pitney Bowes BOXpoll

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BOXpoll



Improve your returns process

Finally, improving your returns process can help reduce shipping costs. Returns are a significant expense for retailers, but they also present an opportunity for cost savings.

For example, implementing a no-box, no-label option can reduce processing errors caused by poor packaging as well as fraudulent returns. Brands can also combat fraud by harnessing AI to distinguish honest customers from policy abusers and apply the appropriate logic in each scenario.

Improve your returns process | Improve your returns process | Improve your returns process | Improve your returns process



Conclusion

Reducing shipping costs without negatively impacting your customers' experience is a multifaceted challenge that requires a strategic approach. By embracing regionalization, shipping less air, rethinking shipping speed, reconsidering your carrier mix, and improving your returns process, you can significantly cut costs while keeping your customers happy.

Remember, the goal isn't just to spend less on shipping. It's to build a more efficient, customer-centric supply chain that drives long-term business success. Whether you're a small business or a large retailer, these strategies can help you achieve that goal. Let's work together to keep your customers happy while keeping those shipping costs down.

Happy shipping



5 Ways to spend less on shipping and
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Let us custom-design an ecommerce shipping solution that works for you.



National network

14 hubs across U.S. to place your products closer to customers.

Free branded tracking app

Keep your customers posted on deliveries.



#1 Parcel return solution

Ultra-efficient for you and very easy for your customers.

Simplified returns

No extra charge for no box or label at over 900 drop-off locations.



Cross-border reach

200+ countries. Helping 100+ global brands to win new customers.

Cross-border quoting

Ensure accurate, fully-landed costs upfront for your customers.



Wrapping, packing and more

We handle order fulfillment, including personalized notes.

24/7 view

Our warehouse software keeps you on top of orders and inventory.

But enough about us. Let's talk about you.

Make your shipping easier, smarter, faster and less expensive. Count on us to reduce the complexities of ecommerce.

Our consultative approach lets you to choose the specific logistics services you need.

In turn, your business gets a custom, highly-efficient solution that FedEx, UPS and DHL can't match.

Learn more by setting up a 15-minute discussion with one of our experts.

Let's talk

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Pitney Bowes BOXpoll is a weekly consumer survey of more than 2,000 online shoppers on current events, culture and ecommerce logistics, conducted by Morning Consult. Additional data comes from BOXscore which uses crowdsourced mystery shopping of thousands of websites to compile benchmarks on the ecommerce order experience. All this research provides retailers with an agile way to use consumer sentiment to help support decision making.

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