# A guide to selecting your shipping partner

One of the most critical cogs in any online business is shipping and logistics. We've teamed up with our partners at Sendle to get their tips for selecting the right shipping partners for your business.



# The importance of building an effective shipping strategy

Merchants know that high shipping costs are the primary reason for shopping cart abandonment. So, while free shipping can be a great promotion tool, it can also be the fastest way to bleed margins and make running your business unsustainable. It's important that merchants pick the right shipping provider for their business that also aligns with their shipping strategy.

To devise your shipping strategy, firstly understand where your business sits as per the factors below:

- Product weight and volume
- Business and category margins
- Customer location

Once you have identified where your business sits using these key factors, you can evaluate shipping providers based on a range of parameters.

# The criteria to selecting the best shipping partner

It's important to take a holistic approach when evaluating shipping partners to ensure you pick the supplier who aligns to your business, customers and brand.



#### **Product handling**

Not all carriers can provide all types of handling services. Depending on your product mix you may need a freight provider, fragile goods carrier or even an expensive white glove solution. It's important to pick a carrier that is best suited to handle your goods.



#### Target market

If your customers are based domestically and internationally, you are better off working with carriers that provide both kinds of services reliably. Picking separate carriers to serve individual segments of your market can significantly impact your efficiency and affect your purchasing power with each of them.



#### **Transit times**

Depending on what and where you sell, customer expectations around transit time can vary significantly. It's important to pay attention to carrier transit times (SLAs) and how they perform within those times. This is one of the least frequently asked questions, but critical in understanding how carriers will perform in fulfilling their service.



#### Shipping cost

Picking a shipping provider that makes economic sense to your business and revenue model is perhaps the most important aspect of selecting a carrier.

Comparing quotes from carriers and negotiating (where possible) are great ways to optimise shipping costs.



#### Service ratings

Some carriers can overstate their performance and it's always a good idea to research your shortlisted shipping providers on local review sites. Reviewing customer feedback and comments is a great way to get a sense of where potential issues can arise in their network and performance.

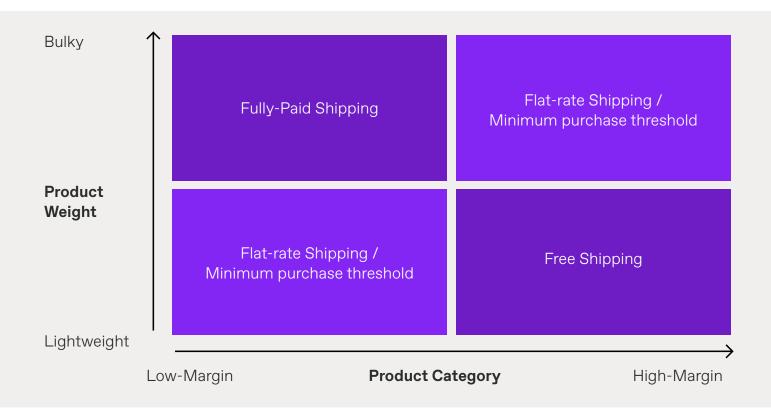


#### Tracking and integrations

Your carrier's ability to plug into shopping carts and eCommerce marketplaces can save you hundreds or thousands of dollars in overheads, in addition to reducing the burden of shopping around for the right third-party solution that ticks all boxes. Carriers that fail to have integrations with major eCommerce solutions or free tracking capabilities risk falling behind.

With the rise of global eCommerce behemoths, free shipping has started becoming the new base expectation amongst buyers and this puts additional pressure on small and medium businesses, and makes picking the correct shipping strategy even more critical.

A quick and easy way to check if your shipping strategy is line with your business is to try and plot your business as per the quadrant below:



Free shipping, particularly in the U.S. and Australia, can be very hard to implement unless you have multiple revenue streams to offset shipping losses. This means most merchants will need to closely evaluate their free shipping strategy and see if it's right for their business.



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- Flat rate pricing staring \$5.75 (domestic) and 14.95 (international)
- Free door pick-up
- Free loss insurance up to \$1500
- Free integrations to shopping carts like Shopify and eBay
- Free tracking

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Sendle is proud to be Australia's first 100% carbon neutral delivery service and is a certified B Corporation.

\* As per www.ProductReview.com.au

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