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Minimizing Your Small Business Shipping Costs

Shipping carriers review their rates and services every year and, more often than not, those rates increase. Between the shifting popularity of specific shipping options, the fluctuating cost of fuel, and a plethora of other factors, the cost of shipping is rising for everyone.

While industry giants like Amazon can offset these rising costs with sheer bulk, how can a more niche business stay in the black without increasing their prices?

Here are a few tips on how your home, online, or small business can offer competitive shipping rates and cut down on costs.

Size matters.

Shipping carriers don't only charge based on location and weight – they also take size into account. You can save money on your shipping expenses by ensuring you are always using the appropriate packaging for the job.

While it's important to keep your product safe in transit, you should never use an oversized box when something smaller will do. Bubble mailers are a great option to keep smaller items safe and secure without breaking the bank on large package fees.

Free is cheaper than cheap.

Most major carriers give away free packaging. From FedEx to the USPS, you can find envelopes, self-sealing packages, bubble mailers, padded packs, express boxes, labels and countless other options for free. Of course – this usually comes with the caveat that you use that specific vendor to ship your product.

If you're currently spending money on your packaging, make sure you take a look at your preferred shipper's website and check out what free packaging they offer.

Third party coverage.

All the major carriers offer shipping insurance, but you can

usually find much cheaper rates by foregoing the carrier's offer and instead getting your shipping insurance with a third-party company. The difference can be as much as \$0.50 per \$100 of insurance, and while this doesn't seem like a huge amount, these fees can really add up – especially if you're shipping high value items like watches, jewellery or electronics.



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Qualify for bulk.

If you're running an online store through an eCommerce platform such as Shopify, BigCommerce, or 3dcart, you may qualify for bulk shipping pricing. One of the main benefits of working with these types of platforms instead of creating your own sales portal is that they specifically work with carriers to negotiate and reduce shipping prices for the entire platform as a unit. By selling and shipping through an eCommerce shop, you leverage the bulk of everyone else who ships through the same platform.

Of course – many of these platforms also charge monthly service and transaction fees on your sales, so make sure you do a thorough value analysis to make sure you're not just replacing your shipping fees with platform fees.

Accuracy in all things.

There



are plenty of different ways for your package to incur extra fees or grind to a halt in the shipping pipeline, and most of them boil down to not paying close enough attention to the details.

Choosing the wrong mail class for your item's weight, underpaying the due postage and neglecting package dimensions can all incur fees. Perhaps one of the most common issues people run into is mislabeled packaging.

Your package's shipping label takes shipping zone, weight, and size all into account – so you need to make sure these details are accurate. Another common mistake is printing the wrong zip codes on your label.

Carriers calculate costs and speed based partially on the length of distance from the sender's zip code to its destination, so it's crucial that both your shipping address and the receiver's address are correct.

In conclusion...

If you're shipping from home or in quantities that don't warrant bulk rates, it's important to take advantage of the resources your carriers offer you and ensure you minimize mistakes that can lead to fees.

If you ship small packages or use courier services and you're looking to make certain your fees are completely optimized, Schooley Mitchell offers a risk-free review of your shipping environment. If we don't find savings for you, there is no fee for our services.

