

Fast And Free Shipping Helps Businesses Close Deals

Nate Gilmore, Shipwire.com | Nov. 9, 2011, 11:08 AM | 256

Recommend 6

Share 14

+1 2

Email

AA

Free shipping drives the sales but it is driving you crazy?

Holiday season is fast approaching and it is time to ramp up your promotional efforts. Like its cousins, Black Friday and Cyber Monday, Free Shipping Day on December 16th is gaining traction among retailers and buyers alike for the holidays! With over 700 participating merchants for Free Shipping Day this year, they are joining the calling to provide exceptional shipping services so that buyers can receive their purchases by Christmas Eve in the US.

Even though as merchants we know "Free Shipping" isn't technically free, there's nothing like the power of inception to help bring more sales to your business. Studies show that in the past holiday season (Q3 '10 – Q1 '11), transactions utilizing free shipping made up for nearly half of all orders.

But how do you offer "Free" shipping without putting yourself out of business.

Say it with me "Fast and Free Shipping"

It's quite simple: fast and free shipping closes deals. Looking for free shipping offers is a learned behavior by consumers, and they expect it – especially around holiday time. By offering special shipping promotions, buyers are more likely to purchase under the impression that they are saving money, somewhere.

Candidly, that means that you the merchant, need to figure out if you have the margin to offer free Shipping; where you can cut some costs; or, raise some prices to cover the cost of shipping.

One of the best ways to cut shipping costs, is to actually cut the cost of shipping. Shocking, I know. If you are shipping from 1 location today, there is a very good chance that you shipments over long distances can be cut. Putting inventory closer to buyers cuts the cost of shipping. Optimizing your best sellers by shipping from multiple warehouses is a huge cost savor. Plug your business volumes into our free shipping tool to see the cost savings.

Where else can money be found for a free shipping promotion. Many times, these types of "free" shipping costs are absorbed into a marketing budget versus cutting it out from the bottom line. Read on to see how you can chose a shipping promotion that fits your budget.

Need more justification to take this from the marketing budget? With shipping promotions, you can cut shopping cart abandonment. According to a comScore report from May 2011, 61% of consumers are "somewhat likely" to cancel their entire purchase if free shipping is not offered. The cost of shipping is the most common barrier in preventing the completion of an online sale.

Shipwire merchant, David Wurtz sells TV Wall Mounts and understands the value of free shipping to buyers, "Buyers love free shipping! They want their dollars to go towards the product they purchase – not towards getting the product to their doorstep."

There is absolutely no one size fits all "best way" to do a free shipping promotion. It is up to each retailer to test out which strategy works best for them. But here are a few variations to test for your holiday promotions.

Types of Shipping Promotions

Here is a list of the most commonly practiced variations of shipping promotions:

- **Free shipping sitewide** The big Kahouna of shipping offers. You'll be the preferred choice for shopping (just in time for the holidays).
- **Free shipping with minimum order size** Buyers are more likely to buy just *one more thing* to meet the requirements.
- **Free shipping on select items** Use this method to drive customers to overstocked items or ones that have the best margins.
- **Flat rate shipping on whole order** Take out the surprise of shipping costs so buyers can focus on their purchasing budgets. You can tier this with another promotion.
- **Free shipping to certain regions** Based on where your warehouse is, it may be possible to incentivize buyers close by or in a select market like North America.
- **Free expedited shipping on an order** Offer 1-2 day shipping for the price of Ground Shipping (5 days) – faster for free!

Factors to consider when implementing shipping promotions

It is truly a trial and error test to see which shipping promotion works best for your business and your customers. Here are some good questions to help guide you:

- Do you have the margin for free shipping? If not, how can you create the margin for free shipping? e.g. raising the price of the product, cutting the production or delivery costs, etc.
- Do you have a detailed shipping/refund policy to fall back on? Customers are less likely to be upset when you do exactly what you said you'd do.
- Are your shipping promotions clearly stated on your site to avoid confusion? Show shipping options, prices and delivery time-frames.

Automation brings cost savings and new opportunities

Lastly, it's important to test your shipping offers before the holiday push. Now is a great time to plan some sample promotions to see what free shipping offer converts well on your website.

Planning the shipping promotion is one thing; fulfilling the orders and sending out tracking info in a timely and organized manner are key to help your business succeed and make your buyers happy. Nothing is more important to your customer than being able to track their goodies (after free shipping, of course).

No matter where your business is located or where your customers are ordering from, Shipwire has six warehouses scattered throughout the US, Canada and the UK to facilitate storage and cut costs on your "last mile" processes.

With a little more than a month until Free Shipping Day, now is a good time to start planning away.

About Author: Nate Gilmore is the VP of Marketing for Shipwire order fulfillment, a provider of global shipping services for leading brands like Angry Birds.

Please follow [War Room](#) on Twitter and Facebook.

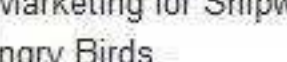
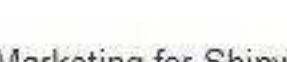
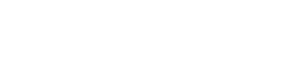
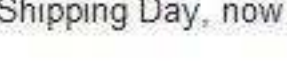
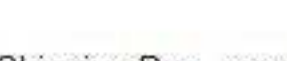
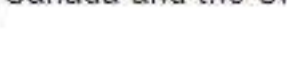
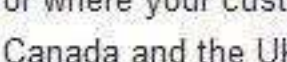
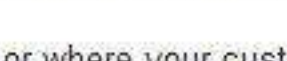
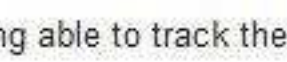
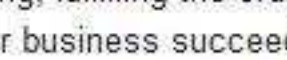
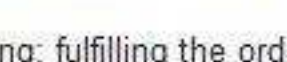
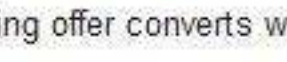
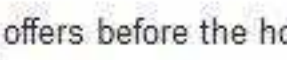
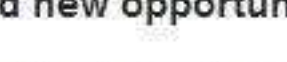
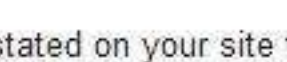
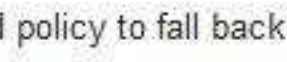
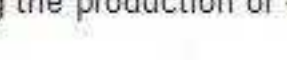
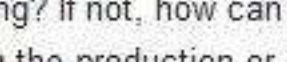
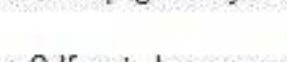
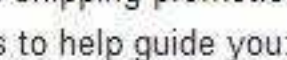
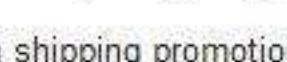
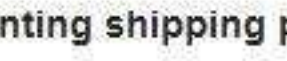
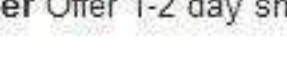
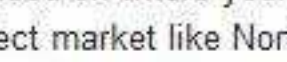
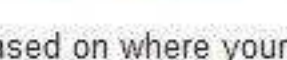
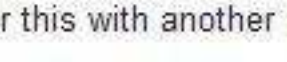
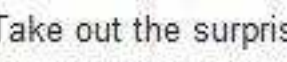
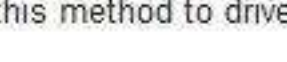
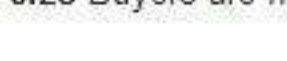
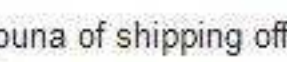
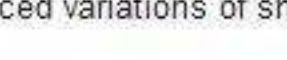
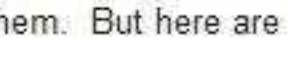
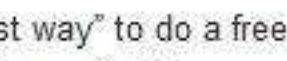
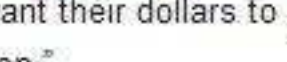
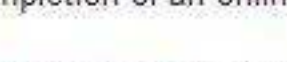
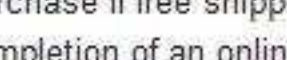
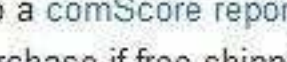
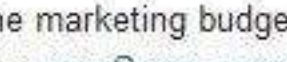
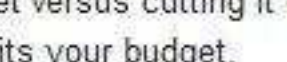
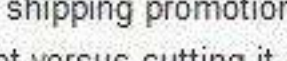
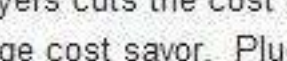
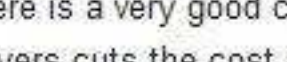
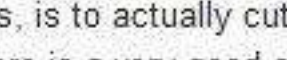
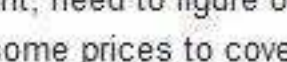
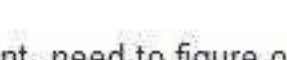
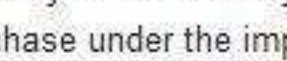
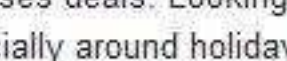
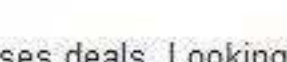
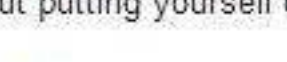
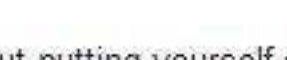
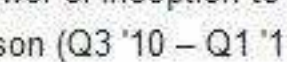
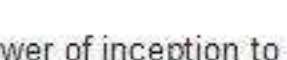
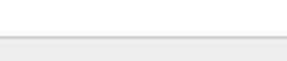
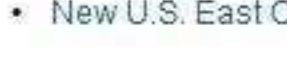
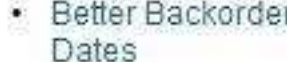
Nate Gilmore



Nate Gilmore is overseer of Shipwire marketing and business development and the Shipwire developer network.

Recent Posts

Shipwire



• Better Backorder Management With Inventory Availability Dates

• Kickstarting Your Product Launch Globally

• New U.S. East Coast Warehouse