Your Guide to: Shipping Best Practices

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Once you decide to start selling online, shipping becomes a huge aspect of your parts counter's operations and sales. Shipping is not only a necessity, but a profit center for many dealers. It can also be a deal-breaker for many customers when shipping costs are too high. There are a few things to keep in mind about shipping when you're selling parts and accessories online.

Shipping options

The SimplePart platform supports several major shipping carriers:

Small items	Large items (bumpers, grilles, etc.)
USPS (flat rate box recommended)	UPS or FedEx

Tip: You can offer local in-store pick up as not only an <u>omnichannel method</u>, but as a way to avoid high shipping costs and bring customers back into the dealership. Consumers who choose this option are <u>13% more likely to convert a sale</u>, which increases conversion and sales of non-shippable items.

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

The benefits of fast, free shipping

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

Free shipping is everywhere in eCommerce. A <u>2019 survey</u> 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.

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.

Tip: Deliver the product quickly to create repeat buyers, as <u>90% of eCommerce consumers</u> expect a three-day shipping time in general for their orders. Do pay attention to orders' shipping time!

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?

Free shipping strategies

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. Got questions about shipping? Reach out to our <u>Client Services team</u>.