

*ShipStation*®

# Cheapest Way To Ship

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# How to Get the Cheapest Shipping Rates



# What Is the Cheapest Way to Ship a Package?

Low shipping costs are key for ecommerce businesses. They protect your bottom line, pass the savings on to the customer, and can continue to give you deeper discounts the more you ship. Implementing a better shipping strategy widens your profit margins and removes guesswork around which carrier services to use for your shipments. Before we can find what is the cheapest way to ship a package, we first need to clarify how shipping rates are calculated.

## How do I calculate my shipping cost?

### How much is it to ship a package?

To determine how much it costs to ship a package, you'll need to consider the variables that make up your total shipping cost. The primary cost is the shipping rate, or what the carrier charges to physically transport your package. There are four main variables that factor into calculating your shipping rate:

- **Size** — What are the package dimensions?
- **Weight** — How heavy is the package?
- **Distance** — Where is the package going?
- **Speed** — How fast does the package need to get there?

Let's look into them.

## **Size - What are the package dimensions?**

The size of a parcel will impact its carrier fees. Utilizing space within your package is a great way to avoid overpaying for shipping. Different carriers charge differently based on a package's size. This can lead to increased charges, such as dimensional weight surcharges. More or less, the more space your parcels take up in a delivery truck, the more you have to pay. Additionally, UPS and FedEx charge dimensional weight at a greater rate than USPS. More on this in chapter 3 and 4.

## **Weight - How heavy is the package?**

The weight of the package includes the product and the packing materials. Keep in mind that all national carriers typically round up to the next whole pound for the shipping rate. One way to pay less for your items despite their weight is to check into their cubic pricing and check for discounted rates that way. This allows you to ship small, heavy parcels at a discounted rate. More on this in chapter 3.

## **Distance - Where is the package going?**

The rule is simple: the farther away the recipient's shipping zone is, the more gas, jet fuel, and resources it takes to get it there. Thus, the carrier fee will be higher. For example, the USPS splits the United States into 9 zones to easily measure their costs for distance. For example, if you ship something to a local destination, it would be zone 1. Sending a package across the country might be zone 5 or above. Any time we mention zones in this guide, keep in mind that we will be referring to USPS Zones.

## **Speed - How fast does the package need to get there?**

The speed at which a parcel is delivered will greatly increase the shipping cost.

Unless you sell perishable goods or, say, aquarium fish, sellers are largely unconcerned with the delivery time of a package. When a consumer requests an express service, the carrier may utilize a completely different system of vehicles.

Instead of staying on the ground and being shipped by trucks and cargo trucks, they're shipped in airplanes, and pass through sorting facilities at a greater speed. This inflates the price significantly.

## **Additional Shipping Costs**

While the variables outlined above can help you find the base shipping rate, there might be additional attributes, features, or services that you need figure in to get a better estimate of your total shipping cost.

**Packaging:** Whether you're sending an envelope, a padded pouch, or cardboard mailer box, the packaging used to ship a parcel plays an important part in the total shipping cost. The type of package you send will affect the shipping rate for the service you choose. You also want to factor in material cost, but there are ways to receive free packaging through your carriers.

**Tracking Services:** Tracked services require more attention than those that don't offer tracking. Because of this, their rates are higher. Some cheaper services that don't offer tracking are: USPS First Class Mail without Delivery Confirmation and USPS First Class Mail Letters or Flat Envelopes.

**Insurance:** Adding insurance to a parcel will increase the shipping rate unless it's over the carrier's default coverage.

Frequently, third party insurance, such as Shipsurance, is available at a better rate than carrier insurance. More on this later.

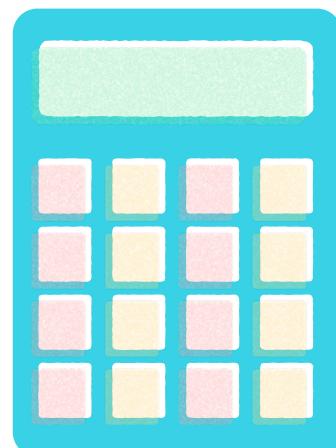


**Customs/Duties:** Shipping internationally adds an extra layer of restrictions and regulations. And clearing through customs can add additional tariffs to you and/or the recipient.

## Using a Shipping Calculator

### Where can I find a shipping rate calculator?

Every shipping carrier has a different shipping rate system. Use a carrier's shipping calculator to determine the best option for a package. You can easily find a carrier's shipping calculator right on their website. Once you do, enter in the details of your package.



You can **calculate shipping rates** on carrier sites with the USPS Postage Price Calculator, FedEx Rate Finder, UPS Calculate Time and Cost, or DHL Rate Quote and Transit Time.

## **How do I use a shipping calculator?**

Using one of the online shipping calculators above, you can get a rough estimate of your postage cost by inputting the four variables that determine shipping rate: size, weight, distance, and speed. Note: this will not include any of the additional costs you might incur such as fees for extra insurance or package material costs. With ShipStation, you are able to compare rates from all of your carrier accounts through our shipping calculator.

### **Where can I find a shipping rate calculator?**

It's time-consuming to switch between different carriers. Consider trying out a free trial with ShipStation to help you out. You'll be able to load rates from your favorite carriers and compare them in one place. And as an added bonus, you'll also be able to ship with any of those carriers in one platform!

## **Which carriers have the cheapest out-of-box rates?**

USPS frequently offers the lowest rates for smaller, lighter parcels. This is particularly true of shipments that are going to closer zones. Let's compare a few shipping configurations and their costs. The following price rankings (1—cheapest to 4—most expensive) are based on rates available to you with a Stamps.com Pro Plan and the FedEx Advantage Program.

10" x 12" x ", 6 ounces

	Zone 1,2	Zone 5	Zone 86
FedEx	3	3	3
UPS	4	4	4
USPS Priority Mail	2	2	2
USPS First Class	1	1	1

10" x 12" x ", 6 ounces

	Zone 1,2	Zone 5	Zone 86
FedEx	3	3	3
UPS	4	4	4
USPS Priority Mail	2	2	2
USPS First Class	1	1	1

20 x 10" x 6', 15 lbs

	Zone 1,2	Zone 5	Zone 8
FedEx	1	1	2
UPS	3	3	3
USPS Priority Mail	2	2	1

Chapter 2

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# How to Get Shipping Carrier Discounts



# How to Get Carrier Shipping Discounts

Shipping discounts are everywhere. If you have an ecommerce business, you should not be paying retail shipping rates. Through incentive programs, carrier negotiations, and shipping software, there are many ways to get discounts for major carriers. This chapter goes over ways you can find and receive shipping discounts.

## How do I get additional discounts with shipping carriers?

### USPS

#### New Accounts

USPS is a great place to start for shipping discounts. For many packages, they will offer the lowest rate. And if you're a ShipStation user, you'll get a PC Postage account (ShipStation Pro Plan) for free through Stamps.com simply by having a ShipStation account (A \$15.99 value). Take advantage of rate discounted as deep as:

- Up to 40% off Priority Mail
- Up to 18% off First Class Mail Package
- Up to 13% off Priority Mail Express
- Up to 5% off International First Class, Priority Mail, and Priority Mail Express
- Up to 40% off USPS Package Insurance Rate

ShipStation offers discounted USPS rate that you can take advantage of simply by signing up.

## Existing Accounts

ShipStation allows you to connect your existing USPS postage provider account (Stamps.com and Endicia) to your ShipStation account. If you don't currently take advantage of any USPS discounts on your existing Stamps.com account, you can convert it to the free Pro Plan take advantage of the above rates. Simply go through the setup process within ShipStation, and we'll convert your account automatically!

## Why not only use USPS?

For many parcels, USPS is going to be the most affordable option. However, as a parcel's weight goes up,



its shipping cost also can drastically increase. Once the shipping weight goes over about 10 lbs, UPS and FedEx start offering much more competitive rates—particularly when you ship to one of the higher zones.

Another advantage FedEx and UPS offer is when shipping internationally. Since they have major hubs and sorting facilities across the globe, your shipments can make their final destination more quickly and effectively, sometimes at a discounted rate.

Additionally, your parcels stand a greater chance of not being handed off to a different local carrier when they pass into new countries.

# Negotiating Rates

Shipping a higher volume through a single provider can lead to volume-based negotiated rates—particularly with UPS and FedEx. These negotiated rates can lower the base shipping cost or even waive additional fees such as the residential surcharge. The residential surcharge is typically around \$3.00-\$4.00. It is possible to drive these your UPS and FedEx carrier fees down to offer competitive rates with USPS. Reach out to your FedEx or UPS sales representative to see which discounts may be available for your account.

Ways to gain leverage when negotiating better rates:

**Use more than 1 carrier:** Using multiple carriers gives you more leverage in negotiating your rates. If you ship predominantly with FedEx, consider shifting 10-30% of your shipping volume to UPS or USPS.

Carriers negotiate lower rates with you to make your volume through them increase.



**Contact a shipping consultant:** A shipping consultant will be able to give advice on how to best negotiate rates and highlight how your shipping volume can benefit a carrier.

**Use a third-party shipping software:** The more you keep your shipping within a carrier's shipping portal, such as FedEx Ship Manager or UPS WorldShip, the more control a carrier feels like they have on you. However, if you ship through a standalone shipping platforms, carriers realize that you're not exclusive to them. A carrier may then offer negotiated rates to increase your shipping volume with them. Furthermore, Shipping softwares frequently offer discounted rates simply by signing up. You also have more freedom to manage all your carriers and ship more efficiently through a shipping software. If they offer in-depth reporting features, you can use this information on all of your carriers to help negotiate better rates with a carrier directly.



## FedEx

### FedEx Advantage program

Shipstation users can access heavily discounted rates through the FedEx Advantage Program. Here are some discounts you can receive. All you need for approval is a ShipStation.com account.

- Select FedEx Express US services – Up to 29% off
- Select FedEx Express international services – Up to 25% off
- Select FedEx Ground services – Up to 20% off
- Select FedEx Office services – Up to 20% off

The application process is easy, simply follow the steps outlined in this article.

## **FedEx Save Now Program**

The FedEx Save Now Program is a program that lets you save on shipping rates. The stipulation of this program is that it is restricted to users that ship through FedEx Ship Manager. So, be warned, if you use a shipping platform such as ShipStation or ShippingEasy, you are ineligible for these discounts.

Highlights of the savings are:

- 16% off on select FedEx Express® services
- 8% discounts on select FedEx Ground® and Home Delivery® services
- up to 60% discounts on FedEx Freight® services

## **DHL Express**

ShipStation customers can save up to 66% on DHL Express postage with ShipStation Carrier Services. DHL Express lets you make economical international shipments. Similar to the USPS, It's a single postage purchase payment method that is tied to the same bank card on file with Stamps.com..

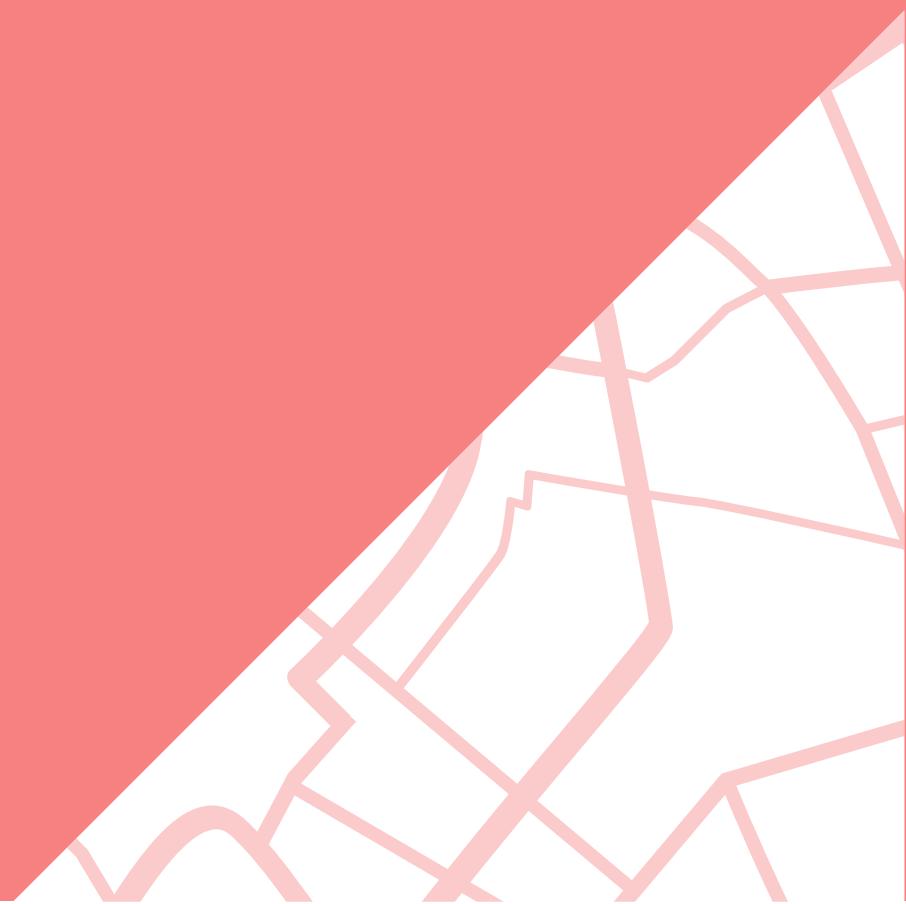
## **UPS**

One option that you can access for UPS is their UPS Small Business Discounts. Using the promo code EASY you can save up to 40% on select services. Another thing that can be negotiated with UPS to lower rates is hybrid services such as UPS Mail Innovations and UPS Surepost.

*Chapter 3*

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# **Which Shipping Services Are The Cheapest**

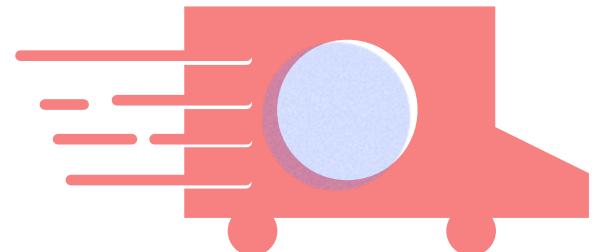


# Which Cheap Shipping Services To Use

Now that you know what some of the cheapest shipping services available are, let's break down some recommended options based on variables such as delivery time, weight, and dimensions. Having a solid shipping strategy in place will not only benefit your business but benefit your customers.

## Delivery Speed

Different services ensure delivery within specific timeframes. We've made a list of preferred services for some of the common delivery timeframes. These services are in reference to parcels around 10 lbs and lighter. For anything higher, it's recommended you check carriers individually or via ShipStation's rate calculator.



## Best Options for 2-3 Day Shipping

2-3 day shipping typically works best with **USPS Priority Mail**. While FedEx and UPS Ground/Home services offer similar delivery times, USPS offers the lowest rates in roughly the same timeframe.

## **Best Options for 2 Day Shipping**

It is important to note that USPS offers no services with guaranteed 2-day delivery. So any parcels with hard 2-day delivery requirements work best through **FedEx 2 Day** or **UPS 2nd Day** as they do offer more precise delivery timeframes.

## **Best Options for Next Day shipping**

Next Day/OVERNIGHT delivery is where FedEx and UPS start inching closer to USPS's rates. FedEx offers competitive rates, particularly to lower zones. With strategic hubs located throughout the world, FedEx and UPS are frequently the carrier of choice for expedited shipping.

- **UPS Next Day Air Saver®**
- **FedEx Standard Overnight®**

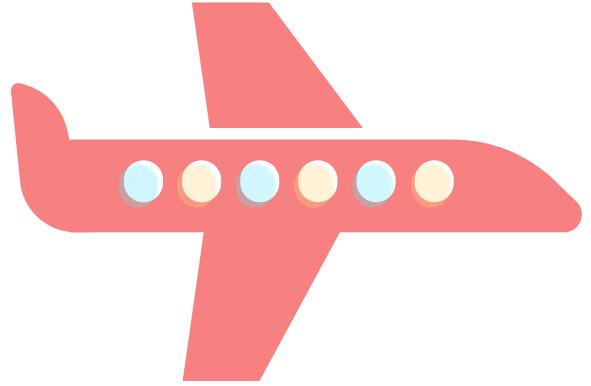
## **Best Options for Next Day AM Shipping**

Similar to standard Next Day Shipping options, UPS and FedEx offer guarantee delivery by noon the following day. Rates between UPS and FedEx don't vary too differently between the 2 carriers. The best services are:

- **FedEx Priority Overnight®** (by noon)
- **FedEx First Overnight®** (by 10:00 am)
- **UPS Next Day Air®** (by noon)
- **UPS Next Day Air® Early** (by 10:00 am)

## Best Options for International Shipping

For parcels 4 lbs and under, Global Post and/or First Class Mail International will be the most economical way to ship internationally. However, keep in mind that there is no requirements for estimated delivery time on this, so it may take weeks to arrive at its final destination. For parcels weighing 4+ lbs, **USPS**



**Priority Mail International** is typically the best.

### Fast Delivery

For fast delivery, **USPS Priority Mail Express International** will typically offer the best rates. Beyond that, FedEx may offer comparable rates and delivery timeframes with their Economy International service.

### Expedited Delivery

For Expedited services, **FedEx International Priority®** offers a slight edge over UPS Worldwide Express®.

## Package Size

The size of a parcel is going to greatly determine your shipping rate. The more space a package takes in the back of a truck, the fewer parcels the carrier can transport at once. One way to maintain steady shipping costs is to opt for Flat Rate packages. But since this is not always going to offer you the lowest rate, let's explore some more packaging options.

## **Best of Envelopes or Flats**

If First Class Mail is an option, **First Class Mail** envelopes and flat rate envelopes will offer the lowest rate. Beyond that, **USPS Priority Mail** will be the way to go.

Remember, First Class Envelopes don't offer tracking.

## **Best for small packages**

Generally, the USPS will offer the best rates for small packages regardless of if you're shipping **First Class Mail, Media Mail, Priority Mail Package** or **Flat Rate**.

## **Best Cubic Pricing**

**USPS Priority Mail** offers the best rates on cubic pricing. This is a special service that allows you to ship small, heavy items at a lower shipping rate through the USPS. For items weighing less than 20 lbs, this is the formula for how to find their cubic feet:

$$\text{Length} \times \text{Width} \times \text{Height} / 1728 = \text{Cubic Feet}$$

Cubic pricing is broken into 5 categories, ranging from 0.1 to 0.5 cubic feet.

## **Best Dimensional Pricing**

The inverse of cubic, dimensional pricing increases the shipping rate if a parcel is deemed too large in relation to its weight. Since packages take up space in cargo vehicles and airplanes, etc., their shipping rate increases with their size. The way it works is you multiply the parcel's dimensions (LxWxH) by a divisor.

$$(L \times W \times H) / \text{Divisor}$$

The larger the divisor, the cheaper the parcel. USPS has the lowest rate when it comes to dimensional weight pricing:

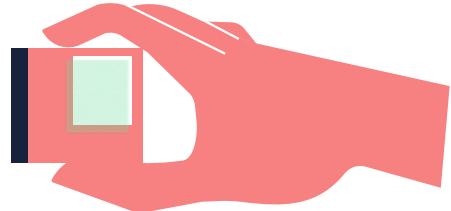
Carrier	Domestic Formula
UPS	$(L \times W \times H) / 139$
FedEx	$(L \times W \times H) / 139$
USPS	$(L \times W \times H) / 166$

As you can see, since USPS has the largest divisor, thus its rate is the lowest.

## Weight

The weight of a parcel can greatly impact its rate. Since we've already discussed cubic and dimensional weight pricing, let's take a look at what the most cost-effective shipping service is based on different weight groups.

### Best Options for under 1 pound



**USPS First Class Mail** is the most affordable shipping option for parcels weighing under 16 oz. If you are shipping physical media, **USPS Media Mail** is more affordable.

### Best Options for under 10 pounds

For parcels between 1-10 lbs, **USPS Priority Mail** will be the most affordable option.

### Best Options for Heavy Packages

**FedEx Ground** typically offers the best option for domestic parcels over 15 lbs..

# Return Shipping

Returns happen a lot! Whether customers are unhappy with their orders, got the wrong size, or just changed their mind, know what the process is and how it can benefit you and your customers..

## Pay-On-Use VS Prepaid

While USPS will offer the cheapest rates for most return labels, it is worth noting that USPS return labels are typically charged upon creation. So, the label fees will be charged to your account regardless of if you use the label or not.

FedEx and UPS, though, only charge you for a return label if it is used and the parcel is scanned in by the carrier.

## Best Return Services

**USPS**

If the parcel is under 1 lb, First Class Mail is the best option for return shipping. Other than that, go with Priority Mail.

**FedEx**

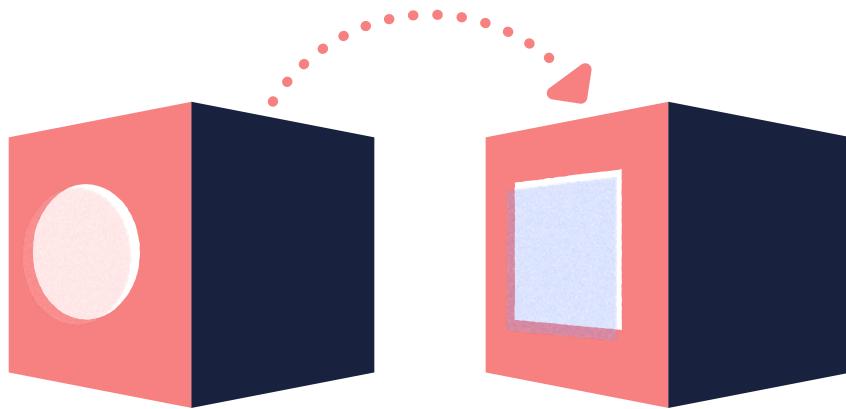
FedEx Ground is the best option for FedEx return services.

**UPS**

UPS Ground is the best option for UPS return services.

# Hybrid Services

An advantage to using FedEx and UPS is being able to access hybrid services. If you're unfamiliar, hybrid services are services where either FedEx or UPS pick up the parcels, but USPS makes final delivery. These are cost effective services that allow you to get around added costs such as the residential/delivery surcharge. This also allows delivery to mailboxes/P.O boxes. These services are comparable in rates and estimated delivery time to standard USPS Priority services.



## Common hybrid services are:

**FedEx SmartPost:** A contract-based service that combines FedEx Ground with USPS.

**UPS Mail Innovations:** A contract-based service that combines UPS Ground with USPS. Works best for small parcels under 1 lb.

**UPS SurePost:** An economical combination of UPS Ground and USPS services, typically for larger parcels weighing up to 20 lbs.

# Shipping Insurance

Regardless of circumstance, insurance is the main extra cost that you don't want to pay for until you have to. But even still, there's no need to pay more for it than needed. Remember, many services offer a default coverage for insured values under a certain price. And third party insurance can be a significantly more affordable option.

## Default Insured Values

Service	Not Included	\$50	\$100	\$200
USPS Priority Mail		✓		
USPS Priority Mail Express			✓	
USPS Priority Mail International				✓
USPS First Class	✓			
USPS Media Mail	✓			
USPS Parcel Select	✓			
FedEx			✓	
UPS			✓	

## Third Party Insurance

A major way to pay less for insurance is to use a third-party insurance provider, such as Shipsurance. When adding insurance to a shipment you pay the additional fees in increments of \$100 insured value. Typically, you can save \$0.20 or more big by using this third party insurance. Applying Shipsurance to a parcel and filing a claim is very streamlined through ShipStation.

## Best Shipping Services For Free Shipping

Offering free shipping is obviously a great way to attract and retain customers. But if it's not cost-effective, then it's less advantageous. Most domestic shipments that come with free shipping are shipped via the USPS.

Mailpieces under 16 oz are eligible for deepest savings with **USPS First Class Mail**.

Anything over 16 oz typically work best with **USPS Priority Mail**. If customers are willing to wait a day or two more, free shipping create a good experience for you as a seller and the customer. Tracking is available for First Class and Priority thick envelope and package types.

If you're shipping physical media, **USPS Media Mail** is a great option as it is incredibly economical.

An advantage of offering free shipping through USPS is that it's the only domestic carrier which can ship to PO Boxes or mailboxes. Because of this, home deliveries do not accrue delivery surcharges the way FedEx or UPS do. This can add almost \$4 to a package's delivery fees.

# Carrier Services Overview

Let's breakdown the best of the following carriers to help you decide which carriers might be best for your business.

## USPS Shipping Services

- Label costs are paid upfront. Less likely to have post-billing adjustments.
- Best low-cost option for physical media with media mail.
- Best consistent pricing with USPS Priority Flat Rate packages under 70lbs.
- Best short-distance pricing with USPS Priority Mail Regional Rate Boxes.

## UPS Shipping Services

- Competitive rates for international Express shipments due to a detailed network of hubs globally.
- 2-3 day shipping, next day shipping, and guaranteed express shipping
- Package tracking at any time of the day (also great for customers!)

## FedEx Shipping Services

- Next day and same-day delivery services.
- It's cheaper than UPS and USPS for packages exceeding 3 pounds.
- Offers an additional 15% off shipping if you sign up for an account.
- FedEx offers detailed tracking for all packages.

## DHL Shipping Services

- DHL Express offers door-to-door express delivery
- Delivers in 1-4 business days and has real-time online tracking
- Offers discounted rates for ShipStation users.

Chapter 4

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# Where to Get the Cheapest Shipping Materials



# Where to Get the Cheapest Shipping Materials

Now that we've gone through major shipping carriers, it's time to dig deep into how and where to get the cheapest shipping boxes.

## Cheapest Packaging

When you send products to your customers, you want to securely package the items, leaving enough space for the packaging to take the brunt of any bent corners or damages while its contents are safe. Here are some economical ways to get them there that won't discount quality:

It's worth noting here that carriers will frequently offer complimentary packaging. However, these packagings tend to be service-specific. So, if you receive Priority Mail Flat Rate Envelopes, you are not allowed to use them with a cheaper service. So, if you ship complimentary Priority Mail packaging using First Class Mail, expect the parcel to be returned to you at your expense. As we go through the different package types, we'll highlight when and where carriers will offer these packaging materials for free.

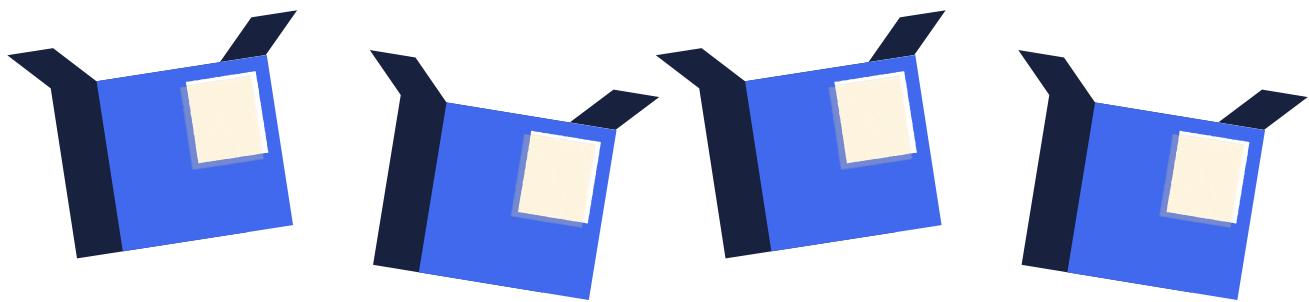
## Envelopes

Envelopes are generally quite affordable both as supplies and as a service-level package type. They also give way for branding possibilities. As for carrier provider materials, USPS offers free flat-rate Priority Mail, as well as other carrier-specific packaging. UPS and FedEx also offer free supplies if you have an account with them.

Other ways to get discounted envelopes are sites like Uline.com who offer competitive, volume-based discounts on shipping supplies. They are a top choice for many ecommerce businesses.

## Poly Mailers

If you ship clothing or other non-fragile items, poly mailers are an incredibly low cost alternative to standard envelopes. They've become an industry standard, with even Amazon using these for their prime shipments. They're incredibly economical and customizable. Many shipping supplies outlets offer 1,000+ for under \$50.



## Cheap Shipping Boxes

Boxes are a bit more expensive than other packaging. But that doesn't stop carriers from offering them for free. You can order free flat-rate boxes from the USPS that comes in sets of 10 or 25. Also, note that UPS and FedEx also offer free supplies for users with a free account. The caveat here is that these boxes are service specific. If flat rate shipping services are too expensive for what you ship, the discounts from getting complementary boxes may pale in comparison to the higher cost of flat rate services.

If you need to purchase shipping boxes, Uline offers great bulk rates.

## **Padding**

**Air Pillows:** Packing peanuts are going the way of the dodo. So, in their stead, what are ways to protect fragile items while also protecting profit margins? Air pillows are a popular, lightweight option. With popular brands like airDEFENDER, you can buy air pillows at a rate of about 100 cushions for \$3-5.

If you go through enough air pillows, there are machines that create custom-sized air pillows from sheet plastic. However, make sure this will provide a return on investment, as these machines can cost well over a thousand dollars.

**Paper Fill:** A more biodegradable alternative for packing is brown paper fill. This option is better suited for securing items in a box that aren't very fragile. Compacted, scrunched-up brown paper may sound overly simple, but it can be much more precise and it quickly fill in the empty space of a package.

There are machines that expedite the process, such as the Ranpak Fillpak TT. While this machine can set you back a few hundred dollars, it can save many man hours and ultimately be a money-saver.

**Tape:** You might think you have tape covered, but there are numerous kinds of shipping tape available for your business. You'll want to look into heavy duty shipping tape, commercial-grade shipping tape, and envelope and package sealing tape strips. It's important you only cut costs, not corners. You can even brand your shipping tape at surprisingly low costs. Shopping around, and even looking at message boards, can provide great first-hand insight into where to get the best values.

Preferred brands, such as Scotch, are quite affordable through Amazon.

But when buying in bulk, going with Uline is a more economical, yet equally great option.

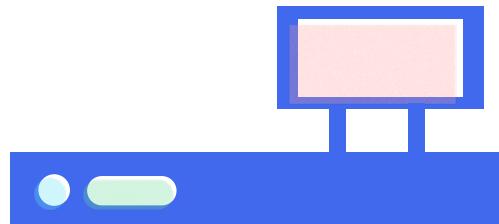
**Packing Pro Tip:** Save packaging materials for reuse. If you have storage space, save packaging material that's reusable such as bubble wrap and air-filled plastic packing pillows. You can even reuse boxes if you're careful about removing the shipping labels and the boxes are sturdy enough to reuse. Just make sure all reused material is kept clean and is carefully stored.

## Hardware

There are some hardware investments you can make for your ecommerce business that may have a high initial cost, but save time and money the longer you use them. Ultimately, quality hardware will return on investment if you correctly shop for your needs.

### Shipping Scale

A quality shipping scale saves time, which in turn saves money. And more importantly, you have to correctly weigh your packages to save additional handling fees.



**Low-weight scales:** Low weight scales are great if you ship small items under about 25 lbs that aren't very large. One of these scales will be a great option for you if you only need to weigh smaller items:

- DYMO M10 10 lbs scale
- DYMO M25 25 lbs scale

**High-capacity scales:** These models offer a larger weighing area and can precisely weigh much heavier items. Though they come with a more premium price, they are very durable and long lasting.

The Mettler Toledo PS60 is a topnotch scale that we highly recommend. With a 150 lbs capacity, this model is a great option for any business looking for a long-term solution for a choice that can, no pun intended, scale with your business.

## Label Printers

While a desktop printer is a cheaper upfront cost, there are many great options for thermal printers. Advantages of thermal printers are that they produce high quality shipping labels that are easy to quickly stick onto a package. Their labels look much more professional and can become a quite affordable solution.

People often switch to a thermal printer because of the speed and quality. Thermal printers are commonly used to print shipping labels, receipts, and return labels as they don't use ink, and instead use thermal transfer to print.



## **Thermal Label Printers:**

- The DYMO LabelWriter 4XL: An industry standard for thermal printers. At roughly \$200, this printer is the easiest to set up and never needs calibration. A great pick.
- Rollo Thermal Heavy Duty Printer: A little less expensive than the DYMO, this printer supports fanfold labels, is customizable, and a great newcomer on the thermal printer scene.
- Zebra ZD420: A workhorse of a printer. While almost twice as expensive as the other two options, it is quicker and much more customizable. If you're looking for an upgrade pick, this is the printer for you.

## **Labels**

Thermal labels can be expensive in rolls, so buy them in bulk to save money.

**DYMO Labels:** With the DYMO, it's important to remember that they require a specific label format with a perforation between each label. Thus, they require you to buy this specific model of label.

**Fanfold Labels:** An advantage of Rollo and Zebra printers is that they accept fanfold labels. Fanfold labels aren't on a roll, so their cost is much lower, about half as expensive. Simply feed them through the back of the printer, and keep them in a box or container behind the printer, and they'll print out. An added time saver is that these can come in much greater label quantities than a roll, meaning you don't have to refill the printer labels as often. Rollo even sells a label tray.

**Label Printing Apps and Software:** One way you can easily print labels is directly with ShipStation Connect. It's a simple process to download and install our software and you can connect to printers and USB scales from any location (you can also print shipping labels from USPS, FedEx, UPS, DHL, etc.). You can share devices with other users (anyone on your team) on your account, even across networks. ShipStation supports most USB scales for easy measuring of package weights.

## What are the best practices for shipping to keep costs down?

Let's go back over the three main shipping carriers and the best practices for keeping their packaging fees down.

### Carrier Shipping Best Practices for USPS

As explained in previous chapters, USPS is usually the most affordable, until you start talking about larger, heavier packages. Here are some benefits you should know about with USPS:

- As mentioned, USPS customers get free (limited) shipping supplies
- USPS will ship the free materials to your address
- You can get priority mail boxes, envelopes and USPS-branded labels/stickers

## **Carrier Shipping Best Practices for UPS**

UPS, like the other shipping carriers, will send their customers free shipping supplies like boxes, pouches, forms, tags, and blank labels. To receive these benefits, you will need a UPS Account.

- With your UPS account, get free shipping supplies, including UPS branded boxes, envelopes, generic thermal shipping labels, tags and forms, general packaging material, etc.
- Shipping materials take 2 business days to process and deliver your supplies (must have physical address)

## **Carrier Shipping Best Practices for FedEx**

FedEx is similar to UPS where you need a FedEx ID and account number to get free shipping supplies. However, FedEx will offer a wider selection of labels and you'll be able to order more of their supplies.

- Complimentary FedEx express boxes, envelopes, packaging, labels, airbills, pouches, and more!
- Free generic shipping labels

Remember to make sure the items being shipped are safe and secure, but there's no need to go overboard on packing materials because it can cost a fortune! The biggest challenge for businesses is to find the right balance between protecting packages and products at a low cost. But now that you have all the secrets to go forth like a pro, there's nothing stopping you!

*Chapter 5*

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# **How Low Shipping Costs Can Grow Your Business**



# How Low Shipping Costs Can Grow Your Business

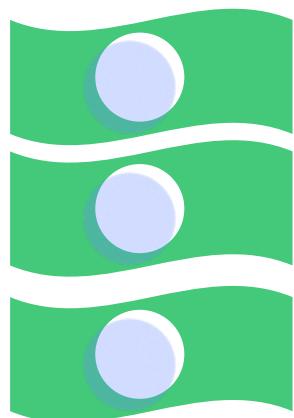
Low shipping costs can help grow your business. Passing the savings onto your customers can increase their loyalty with you. As with anything, the more you save on shipping, the more you can use these funds elsewhere.

## Better Shipping Options for Your Customers

Having a variety of shipping options increases customer satisfaction. Obviously, they'll prefer free shipping options, but low cost expedited services are very popular as well. And the lower your shipping rates are, the more options you can offer at lower rates. This keeps the customer buying from you.

### Free Shipping

The word FREE is a trigger word and the more you use it, the more customers will decide to shop with you. Customers have become conditioned to expect free shipping. Customers enjoy free shipping so much, they'll pay \$129 a year in order to avoid paying for shipping. High shipping costs often result in customers abandoning the shopping cart more frequently because they don't see the value in the price.



## **Free shipping with a minimum purchase**

If completely free shipping isn't an option for you, consider free shipping with a minimum purchase. Many big-name companies do this and it works well for them. And because customers can become so beguiled by free shipping, customers may throw an extra item into their cart to hit that minimum amount.

## **Flat-fee Shipping Options**

Flat-fee shipping is where customers get the same shipping price for any product they order regardless of its size or weight. This model is often used by companies that sell items of a similar size. You can actually save money this way since you're not paying for the size or weight of the shipment.

However, while you may offer flat-fee shipping options, they come in many forms depending on customer needs, and the following options should be offered to your customers:

- **Standard:** This is the regular price if customers want to wait for a delivery time of 2-8 business days. This is the cheapest option and the most popular. This option usually uses USPS First Class or Media Mail.
- **Fast:** This is when customers need the product sooner than up to 8 business days. This option usually bumps up delivery time to 1-3 days and costs a few dollars more. This option usually uses FedEx or UPS Ground or USPS Priority Mail.
- **Rush:** This is overnight or, if possible, same-day delivery where customers need the product right away and are willing to pay the price for it. This option typically uses Priority Express or expedited UPS or FedEx services.

# Room in the Budget to Start Branding Your Shipping

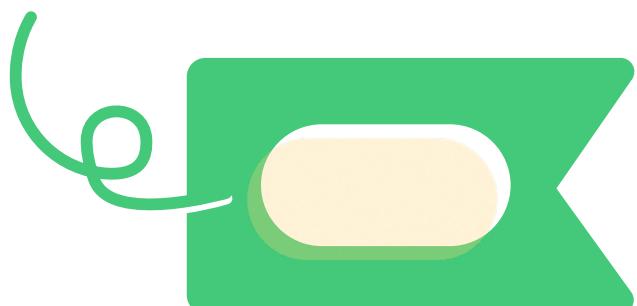
You have to think about the little ways to brand your business, including shipping. This can be a pricey investment, but it's worth it. By branding your shipping materials, you engage your customers with your e-commerce company. Here are some simple ways to get the message across:

## Purchase Branded Boxes

You can order customized branded boxes with your business name big and bold on the boxes. This leaves an unofficial imprint in the customer's mind and they'll think of you the next time they need a product that you sell.

## Include Branded Inserts

You can have small stickers made of your company logo or name and insert them inside the boxes. A good mark of customer loyalty is when someone includes a checkout note like "Hey, can you throw a few stickers in the box as well?" This is something that's fairly cheap and easy to do and won't take up much space inside the package.



## **Use Branded Packaging Materials**

In addition, you can use branded packaging materials such as cushioning or tape with your logo or business name. When your customers unwarp the branded boxes, they'll continue to see your company name as they unfold the whole experience. Amazon is always a good company to look to. They frequently include promotional information on their packaging and tape. This is a great way to reach customers with new information about your business.

## **Better Competition Within the Market**

Keeping an eye on how your competitors approach shipping is a great way to calibrate what customers are willing to spend for shipping. It also gives you additional insight into new perspectives on how to offer shipping charges.

## **Better or Equal Shipping Charges**

As you research your competition, one thing to keep a close eye on is what they're charging on shipment. Do they offer free shipping or is it an additional surcharge? These are important things to note as customers have a high track record of abandoning shopping carts once they notice the shipping charges. Edging out the competition with cheaper shipping is a great way to become a higher ranking and more popular seller. If your competition offers free shipping, look for ways you can also offer free shipping while adding additional incentives. Consider adding free items or coupon codes for returning customers.

## **Potential to Lower Product Prices**

As you rethink your shipping pricing strategies, you may want to consider lowering your product prices to increase sales—especially if you can offer the same product as a competitor, but at a lower price.

## **Improve Your Bottom Line to Help Achieve Your Goals**

When you make your shipping options cheaper and easier, you save time, energy, and money that can be spent on other aspects of your business.

## **Focus Less on Shipping and More on Improving Your Products**

The more you streamline your shipping process, the more you can focus your energy on more business-critical and product-related decisions. Shipping can be a daunting process, but it can be automated and you can set it and forget it. Spend more time doing market research and exposing your brand to new customers.

## **Use Saved Money on Other Ways to Grow Business**

Now that you've learned about economical shipping options, you've got a great opportunity to use that money on other ways to grow your business. There are a number of things you can invest in for business growth.

You could build an email list. This is one way to quickly grow business and keep up with your customers and potential customers. You have the option to hire an expert to consult you on the best way to build an email list.

There's no shortcut to growing your business. It will definitely take time for new strategies to take effect. As you find ways to save in your shipping strategy, it's smart to invest in other parts of your business. Finding the right shipping strategy may take some time, so don't stress. Successful entrepreneurs always find out what works for their business eventually, so try different things and experiment. This is the only way you'll find out for sure what works!

## **Get the Cheapest Way to Ship with ShipStation**

- **Get Carrier Shipping Discounts**
- **Automate Your Shipping Services**
- **Save Time From Less Clicks**

**Try ShipStation today at [shipstation.com](http://shipstation.com)**

# Cheapest Way to Ship Checklist

## Carriers

- Get accounts with multiple carriers to have several options.
- Negotiate rates with carriers based on volume or agreements.
- Enroll in carrier discount programs to save on shipping rates.

## Services

- Consider using USPS for all lightweight packages.
- Consider using FedEx or UPS for all return shipments.

## Resources

- Get free boxes from carriers to optimize package costs.
- Get a scale for accurate weights.
- Get a thermal printer for reliable labels.
- Get shipping software with built-in discounts and automation.