

Level up your business with **strategic shipping.**

Ship & Save & Spend
on other things!

Brought to you by

sendle➤



NON Products,
pre poo toilet spray



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Shipping as a business growth lever.

Don't be a slave to shipping!

Less than 40% of small businesses rated their knowledge on the logistics of their own business as "very good" in the Sendle 2023 customer survey. Logistics is a critical part of business, but it's not the reason you went into business in the first place. Avoid falling into the mindset of your business being at the mercy of shipping with this ebook.

Your sales have a direct (and powerful) relationship with shipping:

- **84%** of customers say they've made a purchase purely because shipping was free
- **48%** of cart abandonments are attributed to extra costs at checkout (AKA shipping and fees)
- **22%** of cart abandonments are because shipping is too slow

If we flip shipping on its head from a cost centre to a revenue generator, the possibilities become huge. Only 60% of merchants offer free shipping, with the other 40% experiencing lower cart abandonment, higher average order values, more items per order, and more repeat customers.

Stats you should know.

Customers report:

3-day shipping

is the slowest they'll tolerate before looking at other suppliers.

27%

of people will shop in-store to avoid shipping costs.

90%

of customers expect to receive their order within seven days.

Sources: [mckinsey.com](https://www.mckinsey.com),
[junglescout.com](https://www.junglescout.com), [alcottglobal.com](https://www.alcottglobal.com)



BUT!

78%

are willing to buy more to qualify for free shipping.

93%

of consumers say free shipping would encourage them to become repeat customers.

85%

of customers prefer free shipping over fast shipping.

Sources: [sdcexec.com](https://www.sdcexec.com), www2.deloitte.com

Types of shipping offers.

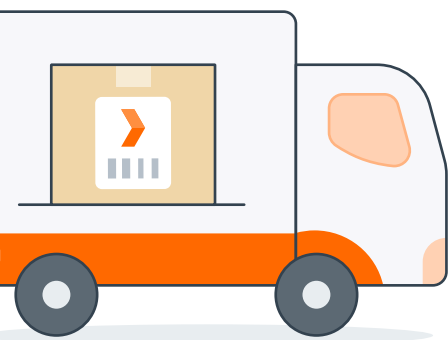
Knowing the secrets to different ways to twist and turn shipping into something that works for you is hard. Luckily we're all about sharing the secrets. Here are the different types of shipping offers and their pros and cons.

Standard domestic shipping

We have to cover the basics! Standard shipping used to mean just getting a parcel from A to B, but these days consumers expect:

- Tracking, so they can see where their parcel is and when they can expect it
- Cover, in case something happens
- Ability to return their items, which usually means a return shipping label included

Returns and cover aren't always free, so it's great to be able to offer them as part of the purchase and avoid those extra fees at checkout. (For the record, all returns with Sendle are free, and all parcels include \$100 of Sendle Cover!)



Express, overnight, or same day shipping

The name of the game isn't necessarily *speed* but rather *certainty*. Your customers want it, and they want *to know exactly when it'll arrive*.

Same day shipping is usually reserved for when you've got your own delivery fleet and you can send them out at all hours of the day. Express and overnight can be fulfilled through delivery services (like Sendle!)

These offers can be great temporary promotions you turn on during peak periods of the year. Whether you pass on the extra fees or not, it'll ensure you're capturing the customers who have perhaps left buying a gift until a little too late...

Here are more options for offering express:

- Offer it year round as one of your standard shopping options, with a higher price tag
- Offer it year round for free (with or without a minimum spend)
- Offer it only during peak periods, with no additional fee





International shipping

Ship beyond your backyard and reach the far flung corners of the world by turning on international shipping. The reach of ecommerce is limited only by your imagination! Spread the word online, and start accepting international orders.

Sendle offers hassle-free international shipping!

- No extra paperwork or customs forms
- Includes tracking, cover, and pickup from your office or warehouse
- Ship to over 220 destinations for as low as \$8.98!

Sustainable shipping

It's estimated that 20-30% of a city's emissions come from last-mile delivery. We've all got to do our part for the environment, and offering consumers the ability to select sustainable or recycled packaging has been implemented by some of Australia's biggest ecommerce retailers.

In addition to packaging, you may want to consider a sustainable shipping network. Sendle is 100% carbon neutral and B Corp certified!





DEC.

**Christmas &
Boxing Day**



NOV.

**Black Friday &
Cyber Monday**

Peak season.

Just as there are four seasons in the year, there is a peak season for ecommerce where sales substantially increase:

- Peak is at its peak in December with Christmas gift buying and Boxing Day sales
- November adds to the hype with Black Friday and Cyber Monday
- October kicks off peak season with Click Frenzy

You can create your own artificial “peaks” with things like end of season sales, or around a novelty day that relates to your business - think National Coffee Day deals for artisanal coffee roasters.

In 2022, peak season saw a 20-25% spike in parcel volumes and all signs are pointing to the 2023 peak being similar.



OCT.

**Click
Frenzy**

Sydney Sock Project's customers love free shipping.

What shipping options Sydney Sock Project offers:

- Free shipping for all orders over \$60 year round
- Free express shipping for all orders over \$150 year round
- Express delivery is an option year round, with \$1 upgrades to express during the Christmas season

Andres Herrero, founder of Sydney Sock Project, had this advice for small businesses considering introducing shipping offers:

Consumers love free shipping, and giving them a target cart value to hit incentivises them to spend more.

Create a clear and simple free shipping threshold and a single shipping cost for order below that threshold. Use apps like Monster Upsell to gamify the free shipping threshold as the customers add items to their cart.

And his advice for promotional shipping offers during peak season?

Plan as early as possible, especially your stock holdings. Offer a free gift with purchase on orders over a certain value to bump up your average order value (AOV) and to protect your margins.



Sydney Sock Project, socks

Free shipping.

Is free shipping ever really free? Well, someone has to pay for it, but if you do your maths just right, you can still fit a healthy margin on cart values that covers the cost of shipping, without you paying out of pocket, and without an extra line item on your customer's receipt!

When is free shipping more like “no additional cost”?

- › Your margin on the total cart covers the shipping cost, and leaves profit for you
- › Your margin on a single item in the cart is high enough to cover the cost of shipping, and the remaining margin from other items is profit for you
- › You set the price of individual items to already include shipping costs

75%
of customers

identified free shipping
as a desirable reward
for loyalty programs!

Source: powerretail.com.au

When does it make sense to offer free shipping?

High margin businesses might offer free shipping year round as it keeps their sales high, their customers coming back, and it's not eating into their profits. Other businesses might not be able to financially support free shipping for all customers all the time, but can bake it into other programs or promotions:

- › Offer free shipping as part of a loyalty program for repeat customers
- › Give customers the ability to 'unlock' free shipping with a minimum spend
- › Celebrate an occasion with free shipping for a limited time
- › Certain items qualify for free shipping



Doing the maths

Running numbers is not always the funnest part of running your own business, but it has to be done! We checked in with Sendle's resident financial expert, David Morris on what you need to double check before making any big decisions. He gave us a 4-step framework for doing the maths:



Step 1

Calculate your margins

Including: margins on individual items, average cart margin, the lifetime value of a repeat customer, and checking this against your overheads.

Step 2

Ask “what’s the most we can lose?”

If you offered free shipping, how much are you comfortable with losing from your margin? What’s your worst case scenario?

Step 3

Make a decision

To charge or not to charge, that is the question! You can also consider partially covering the cost of shipping to gain some of the psychological benefits of offering free shipping.

Step 4

Test your assumptions

Measure your financial risk by testing it on a small scale. You could send a free shipping promo code to a segment of your customer base, and measure their response to it, including if their average order value went up.

The WOD Life's customers love express upgrades.

What shipping options the WOD Life offers:

- Free shipping over \$199, excluding some heavy items
- Occasional loyalty-based offers like upgrade from free standard shipping to express with a code
- Express and priority shipping available year round for a fee - "around 45% of customers upgrade their orders to Express Shipping."
- This Black Friday they're trialling gift with purchase for the first time!
- Customers can also pick up from their warehouse, usually ready on the same day

The team at WOD Life have seen incredible results from shipping offers!

We have seen an increase in average order value since we increased our free shipping threshold slightly which is great, and especially during a sale, having a slightly higher free shipping threshold than you think is comfortable really encourages customers to purchase more and they still feel they are getting value for money because what they are purchasing is on sale. It's a win-win for everyone. We don't find the conversion rate is affected by the free shipping threshold during sale periods either.

Their advice for businesses considering free shipping:

It is a must have if you have a website to have shipping offers but it doesn't have to be a race to the bottom. A free shipping threshold can be a great way to increase average order value and having an option where the customer can choose to upgrade their order to express for an extra cost helps you to cover some of the shipping costs so you aren't as out of pocket. The customer gets their orders faster and hopefully becomes a repeat customer quickly too.



The WOD Life, gym and fitness store

Here are their best Black Friday tips:

Ensure you have the right level of inventory - you can't make sales if you run out of stock! Consider a gift with purchase, even if it is a 'stretch goal' of a high order value to try to get customers thinking about ordering more. And the other tip I have is to keep your offer simple. Don't have a confusing offer with multiple caveats, it will tank conversion!

Highlights from our 2023 customer survey

Every year Sendle surveys our customers to build a braintrust of information for small businesses.

Here's what they had to say leading into the 2023 peak season and the 2024 calendar year.

43%

will offer
free shipping
during peak
season



34%

are confident
in their sales
growth during
peak season



67%

said finding new
customers and
driving growth in
sales is their largest
priority for 2024



85%

said they're expecting growth in sales
across 2024, with 26% using shipping
as a growth channel!



Split the difference.

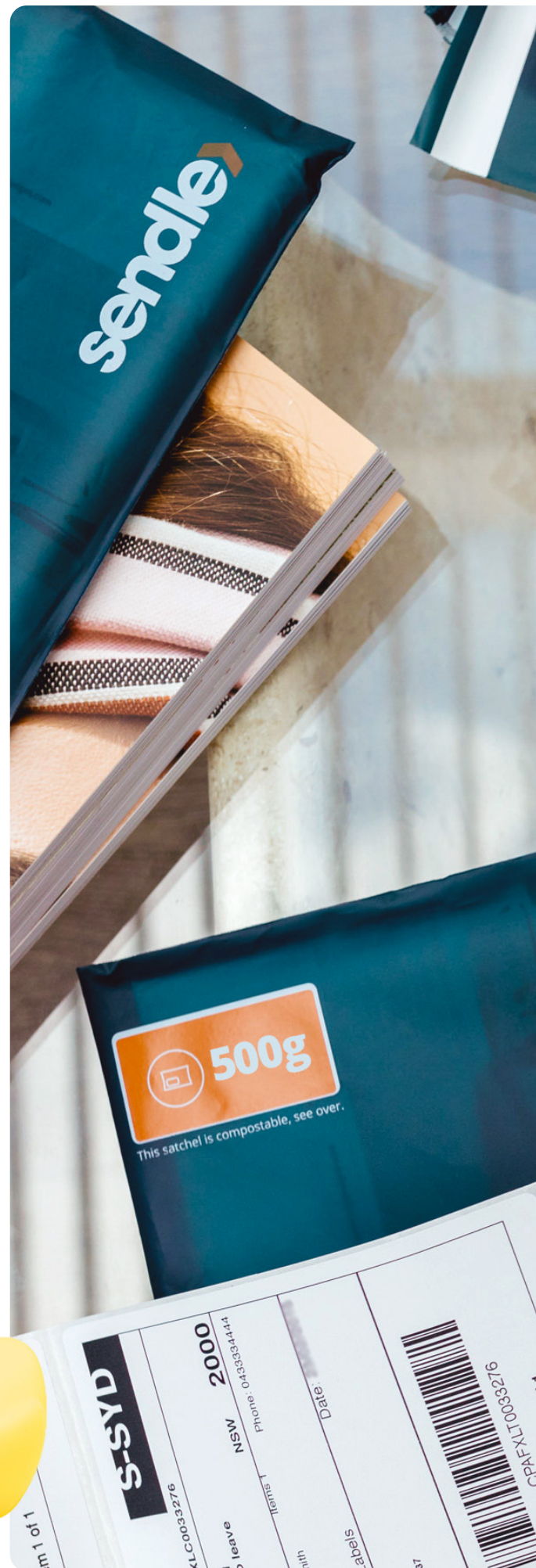
Logistics is pretty complicated. It's not reasonable to expect every business owner to also be a shipping expert. When you get to a certain volume of shipping, it makes a lot of sense to use a shipping integration platform such as ShipStation or Starshipit.

Within these platforms, you can streamline your workflows, manage your volumes more efficiently, and save both time and money.

Using these platforms and their integrations, you can secure the best price from each of the providers and automatically generate the right shipping label. Simple!

Psst

Sendle's strength is our competitive rates for everything from 250g (the only one on the market!) all the way up to 20kg.



NON Products' customers love free shipping too!

What shipping options NON Products offers:

- Free shipping over \$60 year round
- \$8.95 flat rate shipping for all orders under \$60

Jacqui Afflick, founder of NON Products' top free shipping tips:



Price your products strategically

Our starter pack is \$62.95 - many people will order this to take advantage of our free shipping threshold. Paying for shipping is often a psychological barrier for many people, who will spend extra to receive free shipping. You must ensure that your shipping terms are clear throughout the purchase journey. Customers don't like getting to checkout only to be hit with a shipping fee they weren't aware of.



Make sure you've done the maths

Depending on what your product is, the size & weight, free shipping might not be an option. But if you want to make free shipping part of your offering, you must ensure you've done your numbers and can absorb the expense.



Prep prep prep for peak season

In the lead-up to Black Friday, we make sure we are fully stocked, not only in our product but all our shipping needs: boxes, tissue paper, stickers, shipping labels & our Sandle satchels.

We prime our audience with email marketing in advance to ensure our deliverability reputation is in good order and to re-engage our audience. We also start building our marketing assets a few months out, clearly stating our offer and double-checking all links are working.

Sendle Ship & Save.

As your business grows, we want to celebrate with you! Our Ship & Save program is how we do this.

It's super easy:

1. Enjoy Sendle's existing low cost shipping from 250g to 25kg
2. The more you ship, the more savings you unlock
3. Reinvest your savings into growing your business!



All Sendle customers are automatically rewarded with Ship & Save, you don't need to do anything extra. To move up a level, simply reach the minimum spend of that level within a 4-week spend cycle and the savings will be applied to your account the very next day.



Just by moving our shipping to Sendle, we're saving \$6,000 a month, and now with Ship and Save, that's going up even more. We're growing and investing that money back into the business, and now we have the luxury of not needing to rely on banks or borrowing to grow."

Jared Fullinfaw, The Print Bar

Featuring the Sendle classics:



\$100 of cover and tracking on every parcel



Free pick up and no lock in contracts



100% carbon-neutral delivery network

Tips for small business, by small business

Here's a summary of the shipping offers being used by Sendle business customers.

The Sneaker Laundry

- Free shipping over \$75 (domestic) and \$150 (international)

Tips from Eugene Cheng, founder:

We've found free shipping definitely affects cart abandonment and AOV. AOV is dependent on your products, if your best seller is \$80 and free shipping at \$75, it won't affect your AOV but it will improve your abandonment rate. If your best-sellers are \$80 and free shipping at \$100, you won't see improvements in your abandonment rate but you will with your AOV.

Sydney Sock Project

- Free shipping for all orders over \$60 year round
- Free express shipping for all orders over \$150 year round
- Upgrade to express shipping for \$1 during Christmas promotional period
- Express delivery is an option year round, with \$1 upgrades to express during the Christmas season

NON Products

- Free shipping over \$60
- Flat rate shipping for all orders under \$60



The Sneaker Laundry, sneaker cleaning store



Sydney Sock Project, socks



NON Products, pre poo toilet sprays



Ellie Grace Jewellery

- › Free shipping over \$120
- › Express shipping available for an extra fee

Top tips from Jiali, founder:

If possible offer free shipping especially for return customers, and utilise all of your marketing channels during peak season as most of the population are in the mood to buy.



Costume Bay, onesie and costumes

Costume Bay

- › Free shipping over a minimum spend
- › Express shipping available for an extra fee
- › Flat rate standard shipping
- › Run promotional periods of free shipping for all orders



The WOD Life, gym and fitness store

The WOD Life

- › Free shipping over \$199, excluding some heavy items
- › Occasional loyalty based offers like free shipping or upgrade to express
- › Express and priority shipping available year round for a fee

**Ship on the
bright side.**

**Ship with
sendle** 

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