

Shipping Methods - Overview

The WSP offering and general strategies for calculating shipping prices

AGENDA

- General Shipping Method Options (by WSP)
- Questions to Consider
- Shipping Prices
 - + Terminology
 - + Three (3) Choices for Display
 - + Calculation Strategies
 - + Using "Actual" Shipping Costs

GENERAL SHIPPING METHOD OPTIONS

Do Not Show Prices

- + A: No Methods
- + B: Methods w/ No Prices

Show Prices

- + C: Methods w/ Internal Rates
- + D1: Methods w/ Internal and UPS
- + D2: Methods w/ Internal and FedEx Rates
- + E: Methods w/ Internal, UPS, and FedEx Rates

Notes

- + The difference in the above options is the logic available for calculation shipping prices.
- + WSP has a series of optional modules that can help you accomplish more complex shipping calculations / rules.
- + In all cases above you control
 - × Which methods show up
 - × The method's name / label that that the customer sees
 - × The ship via code is passed to the ERP

QUESTIONS TO CONSIDER

- Do you want / need to show a shipping price online?
 - + If yes, the below questions apply...
- When do you need to show shipping prices?
- What are your business goals (with regards to shipping prices)?
 - + Make money
 - + Break even
 - + Lose money (make it up somewhere else)
- If you need to show prices in the cart, how will you calculate the prices?
 - + Simple / sliding scale, or
 - + Based on costs
- Does anything vary by user type (if everything else is the same)?
 - + Pricing calculations
 - + Shipping method choices

PRICES - TERMINOLOGY

- × Key Point to Remember:
 - + Shipping Price (what you charge) <> Shipping Cost (what you pay)
- Estimated Shipping Price
- Final Shipping Price
- Estimated Shipping Costs
- Actual Shipping Costs

PRICES - THREE (3) CHOICES FOR DISPLAY

× You have 3 basic choices

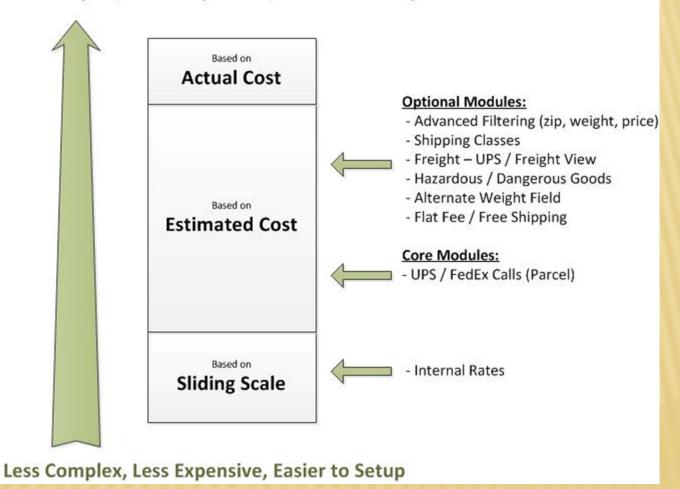
Choice	Display in Shopping Cart	Charge on Invoice
1	No Price * (with note)	Final Shipping Price
2	Estimated Price * (with note)	Final Shipping Price
3	Estimated Price	Estimated Price

Question: Does your choice need to vary by user (i.e. B2C is different than B2B)?

PRICES - CALCULATION STRATEGIES

Strategy for Calculating Estimated Price in the Shopping Cart Checkout

More Complex, More Expensive, Harder to Setup



PRICES - USING "ACTUAL" SHIPPING COSTS

- This takes into account variations like
 - + back-orders / partial shipments
 - + shipping from multiple warehouses
 - drop-shipping (partial or all)
 - + actual container (box, pallet, etc) size(s) / dimensions used
 - + actual products (and weights) packed in each box
 - actual weight of box / packaging
 - + actual carrier / service / service class used
 - + hazmat / dangerous goods
- All of these are known when you are actually shipping the products
- None of these are known when the order is being placed in the website
- * These are expensive to EXACTLY predict on a website
 - + Are not worth the time / money involved in almost all cases
 - + Haven't seen an exception yet that really needed exact costs for pricing
- WSP's conclusions / product offering strategy
 - + Do not try to EXACTLY predict Actual Shipping Costs
 - + Provide a standard toolset that allows you to
 - Use simple pricing (not based on costs), or
 - v Use industry standard estimates (UPS / FedEx parcel)
 - + Provide optional tools that provide more configuration choices / tighter control
 - + Check your results (are they in line with your goals?)
 - Use reporting to check your prices vs. costs
 - Value of the control of the contr



Shipping Methods - Overview

The WSP offering and general strategies for calculating shipping prices