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# Shipping Methods - Overview

The WSP offering and general strategies for calculating shipping prices

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# AGENDA

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- ✘ 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

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- ✘ 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

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- ✘ *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



### Optional Modules:

- Advanced Filtering (zip, weight, price)
- Shipping Classes
- Freight – UPS / Freight View
- Hazardous / Dangerous Goods
- Alternate Weight Field
- Flat Fee / Free Shipping



### Core Modules:

- UPS / FedEx Calls (Parcel)



- Internal Rates



Less Complex, Less Expensive, Easier 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
    - ✘ 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
    - ✘ Use multipliers, weights, and optional modules (where needed) to make adjustments





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