

EFFICIENT E-COMMERCE SHIPPING IN 4 STEPS

THE GUIDE TO DECREASING COSTS AND INCREASING PROFITS



Product, check. Filler, check. More filler, check. Box after box. Filler and more filler. Cost after cost. E-commerce has created a world where many customers know exactly what they're looking for and purchase that product only. Then, maybe a few hours or days later, they come back to the site and purchase another product—requiring another box. When purchases are done this way, rather than in a brick and mortar store, the shipping costs for retailers can grow exponentially, potentially eating up profits.

Fortunately, there are some ways around this for smart e-commerce shippers. We'll walk you through the steps you can take to decrease costs and increase profits. It all starts with knowing dimensional weight basics, and reducing your packaging to start saving. Then, encourage threshold free shipping for increased profits and denser packages. Finally, build ideal loads for carriers to avoid extra charges.

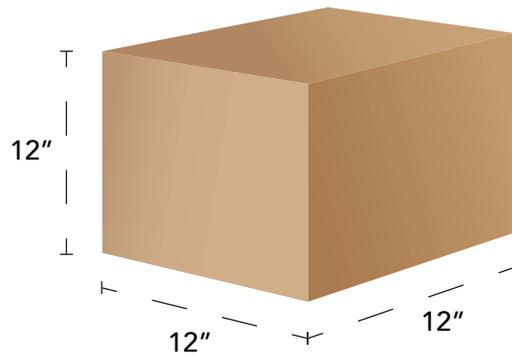
STEP 1: Know your dimensional weight basics

What is dimensional weight?

The first step to decreasing shipping costs is learning how shipping is calculated—by dimensional weight. With this information you can reduce spending in that area, and the more you save, the more likely you are to see increased profits.

How does dimensional weight affect shipping?

Shipping costs are based on dimensional weight. Dimensional weight is the relationship of the size of a package to its weight. You may also see it referred to as DIM weight, volumetric weight, or cubed weight. In this section, you'll learn that it's to your advantage to fill as much of a package as possible with product. What shippers buy from carriers is space, and it's to the shippers' advantage to purchase as little space as they can, and to fill that space densely.



$$1 \times 1 \times 1 = 1 \times 12 = 12 \text{ lb.}$$

How is dimensional weight calculated?

The density factor that UPS and FedEx currently use is 12 pounds per cubic foot. This means that when using these carriers, a box measuring one foot in all dimensions must weigh a minimum of 12 pounds.

If a box were to measure two feet in all dimensions, the minimum weight would be 96 pounds.

$$2 \times 2 \times 2 = 8 \times 12 = 96 \text{ lb.}$$

What if a package doesn't meet the minimum shipping weight?

Sometimes things that are light and fluffy can take up a lot of space. Not all one-foot boxes will weigh 12 pounds, and not all two-foot boxes will weigh 96 pounds. In those cases, the boxes will still be billed at the minimum weight cost even if they are lighter than the standard.

What if a package is heavier than the minimum shipping weight?

If the box weighs more than the minimum, then the box will be billed at the actual weight cost. The carrier will always apply the higher of the two costs.

How do I use this information to reduce costs?

By packing your items efficiently, meaning that you use the smallest container possible, your costs will decrease. This is because you won't be spending money to ship air or fillers. Let's take a look at how you can pack your shipments more efficiently.

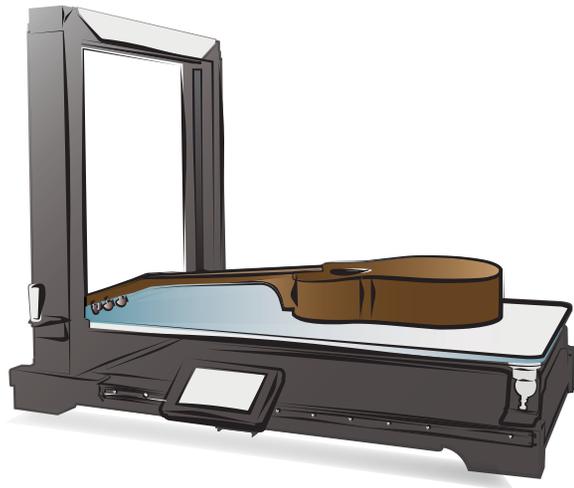
STEP 2: Reduce packaging

Why should my company reduce packaging?

Because the carrier will always apply the higher of the two costs—either the minimum dimensional weight, or the actual weight—reducing packaging is an excellent way to reduce your shipment's dimensional weight. This is because the carrier would prefer to load as efficiently as possible, and for it to do so, smaller, heavier boxes are better. Just like you don't want to pay to ship air or filler, they don't want to be transporting air or filler—unless you pay more to ship it.

How can we reduce packaging?

There are a few ways to reduce packaging. One way is to invest in on-demand packaging. In this situation, equipment installed in your facility makes a box for each order instead of using premade boxes. Another way to reduce packaging is to have a packaging analysis done by a third party to determine the ideal method for shipping your products.



What's the most cost-effective way to reduce packaging?

Dimensioning systems, like the [Cubiscan 325](#), which was built to maximize storage space and

enhance cartonization methods, are likely the most cost-effective way to reduce packaging. Systems like this are designed for a variety of product shapes and sizes and can very quickly optimize processes for reducing packaging.

What Cubiscan features will help me reduce packaging?

One mode will display the smallest box within which measured items will fit. In addition to reducing packaging, it also reduces time and effort.

Another mode can [measure apparel in a way that encourages less oversized packaging](#).

“Apparel can sometimes be tricky to measure because it’s flexible,” Cubiscan Director of Engineering Robert Kennington said. “The measurements can vary depending on which way the item is placed.”

“Cubiscan’s method of measuring ensures a more efficient way of obtaining measurements for accurate packaging of flexible items,” he said.

Who benefits from reduced packaging?

Basically, everyone except packaging and dunnage suppliers benefits from reduced packaging. Reduced packaging decreases your shipping costs, the carrier's costs, and the consumer's costs. It also helps sustainability efforts by minimizing transportation fuel costs and carbon emissions.

When will I see my return on investment?

Shippers will see their bottom line improve within months. Quicker and more reliable than manual measurements, these machines, such as the [Cubiscan 100](#), help shippers by applying the correct dimensional-based shipping charges and eliminating costly chargebacks. In addition, Cubiscan dimensioners improve storage-space planning, repacking, check-weighing, and shipment manifesting in medical pharmaceutical, apparel, hardware, and consumer goods distribution.

The differences that data inaccuracies make may seem subtle, but the dramatic savings shown by correcting the data proves that details drive improvement in the bottom line.

STEP 3: Encourage threshold free shipping

What is threshold free shipping?

Threshold free shipping limits free shipping to a certain order value and greater. For example, a purchase of \$20 may not be eligible for free shipping. However, if the customer purchased additional items to bring the total value to \$45, that transaction would be eligible for free shipping.



Why should I encourage threshold free shipping?

When you limit free shipping to a certain order value and greater, customers are inclined to order more product, thus filling a shipping box more densely.

How does threshold free shipping decrease costs?

When items are packed more densely, it affects the dimensional weight so that shippers are getting a better value.

How does threshold free shipping increase profits?

Customers would rather pay for an additional item than pay for the shipping to receive one item. Threshold free shipping encourages higher cost purchases, as well as higher-totaled transactions.

Who benefits from threshold free shipping?

It would seem that all parties benefit from threshold free shipping. Retailers are able to give more exposure to their products and gain a better value from shipping with more efficient packaging, customers can experience more products, and carriers are transporting less filler and air.

STEP 4: Build ideal loads

Why is building ideal loads important?

Stacking boxes efficiently on a pallet in preparation to be loaded is important because overhang or underhang, as well as voids work to the carrier's advantage in pricing.



How can I build ideal loads?

Shippers can build ideal loads with the help of a [Cubiscan 1200-AKL](#). It's a large-scale dimension scanning device that measures multi-piece palletized or non-palletized freight. It can work with a heavy capacity floor scale, or in a stand-alone capacity. Its overhead-mounted sensor configuration provides a comprehensive view of the freight measurement area.

How can building ideal loads decrease costs?

By using the Cubiscan 1200-AKL, shippers can build a load so as to eliminate voids, overhang, and underhang—all of which increase costs to shippers.

How can building ideal loads increase profits?

The savings that shippers can collect by building ideal loads enhances their bottom line.

Learn more

Product, check. More product, check. Purchase after purchase. Savings after savings. Profit and more profit. This is the e-commerce world you'll know upon implementing these tricks of the trade. The steps of knowing dimensional weight basics, reducing packaging, encouraging threshold free shipping, and building ideal loads are simpler than you think, and we can make it even easier. Give us a call at (801) 451.7000 or visit our website at www.cubiscan.com and we'll be happy to discuss your dimensioning needs.