

easyship ×  ShipperHQ

The Magento Merchant's Guide To Shipping



Magento



Brooklyn, NY
USA



DHL



In transit



TNT



Delivered



Melbourne,
Australia



USPS



Out for delivery

Table of Contents

Introduction - The Magento Merchant's Guide to Shipping	03
Chapter 1 - Pick the Right Shipping Couriers	04
Chapter 2 - Consider Shipping Internationally	08
Chapter 3 - Account For Import Duties And Taxes	10
Chapter 4 - Warehousing and Third-Party Logistics	13
Chapter 5 - Optimize The Checkout Experience	16
Resources - Magento Shipping: Easyship x ShipperHQ Comparison	21



Introduction

The Magento Merchant's Guide to Shipping

It's best to approach your shipping strategy as a means to customer success. In other words, an effective shipping strategy is both cost-effective for merchants and rewarding for customers.

A quality shipping experience is the cherry on top of your customer relationship. By contrast, shipping disappointments can reverse the goodwill you've worked to cultivate. This makes optimized shipping processes a cornerstone of success in eCommerce.

Technology is increasingly essential to an effective shipping strategy. Logistics and shipping are complex processes, after all, and it helps to have an extra set of hands. An ideal shipping solution offers shipping automation, direct access to logistics partners, and flexible features to help you scale internationally.

Leading platforms like [Easyship](#) and [ShipperHQ](#) have emerged to help merchants succeed at every step. These comprehensive tools simplify and streamline the shipping process for both you and your customers.

Some merchants take the 'walk before you run' approach to shipping. For example, starter brands often rely on single couriers and offer free shipping on all orders. Over time, however, eCommerce leaders differentiate themselves with more sophisticated offerings that capture both greater margins and share of loyalty.

Leverage this guide to learn best practices for enterprise eCommerce shipping, including:

1. How to choose shipping carriers
2. How to scale with cross-border shipping strategies
3. How to streamline deliveries with warehousing and third-party logistics (3PL)
4. How to calculate import duties and taxes for customs clearance
5. How to increase average order value and conversion with checkout optimization.

Chapter 1



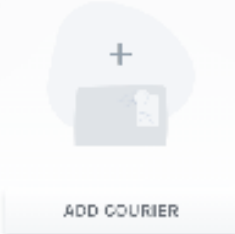
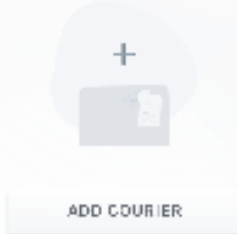












Pick The Right Shipping Couriers

As a merchant, you trust shipping couriers to deliver packages to customers.

A variety of couriers exist, including international express couriers like FedEx and UPS, postal services, or smaller regional couriers. Additionally, you can use multi-courier solutions available as part of shipping platforms to gain additional shipping options. We'll discuss in detail the differences between single and multi-courier solutions in section four.

Consider these seven factors when choosing a shipping solution:

- 1. Competitive rates:** Shipping costs vary by product type, weight, dimensions, destination, and more. Every courier sets different prices based on these factors. An ideal shipping partner offers the cheapest rates for your shipment specifics.
- 2. Coverage:** Where are you shipping and which couriers get you there? Shipping internationally requires the use of express couriers or multi-courier solutions.
- 3. Reliability:** Does the courier service have a good reputation? Are they slower during the holidays? How's their coverage for cross-border shipping?
- 4. Speed:** Some shoppers want expedited shipping while others are willing to wait. Express couriers provide the fastest deliveries but at a premium.
- 5. Flat rate shipping:** Free shipping is popular but it's not always cost-effective. Flat rate shipping isn't based on weight or volume, meaning it can help you predict your shipping costs if your shipment size will vary.
- 6. Insurance:** All couriers offer insurance up to a certain threshold. These amounts vary by courier and by item.
- 7. Package tracking:** The world is big and sometimes packages go missing. Moreover, porch piracy is [on the rise](#). Monitoring items en route helps to ease shopper's anxieties, reduce customer service requests, and promote customer loyalty.

	 DHL Express Worldwide  5.0/5.0 <a data-bbox="578 346 812 394" href="#">SHIP NOW	 <a data-bbox="911 346 1144 394" href="#">ADD COURIER	 <a data-bbox="1243 346 1477 394" href="#">ADD COURIER
Market Best For	Global	-	-
Ratings	Support:  5.0/5.0 Tracking:  5.0/5.0 Speed:  5.0/5.0 Overall:  5.0/5.0	Support:  0.0/5.0 Tracking:  0.0/5.0 Speed:  0.0/5.0 Overall:  0.0/5.0	Support:  0.0/5.0 Tracking:  0.0/5.0 Speed:  0.0/5.0 Overall:  0.0/5.0
Price	\$\$\$	-	-
Insurance Policy	Up to USD 100	-	-

Using a [Courier Comparison Tool](#) lets you quickly compare providers along these key factors.

Every courier offers different benefits and drawbacks. USPS, for example, is cheap and reliable but slows during the holidays, or from unexpected events like Covid. By contrast, FedEx or DHL are more expensive but offer faster, total coverage around the world despite disruptions.

Ask yourself – Where are your customers? Which courier best allows you to service customers? Does a prospective partner offer the features your customers want?

As you weigh cost versus speed, reliability against features like package tracking and insurance – remember that shipping is a form of customer service. With customer experience [now a key differentiator](#) among brands, investing in customer success pays dividends.

Multi-Courier Or Single Courier Strategies?

Single courier shipping strategies are straightforward but limited. They're a great way to learn the ropes but fall short on what most enterprises need long-term.

Multi-courier shipping strategies, though, enable you to ship worldwide with access to affordable solutions from checkout to the last mile. Though historically complex, new technology has simplified this more sophisticated approach. With the right software, merchants gain tailored solutions for any need, whether it's cheap shipping, expedited delivery, order tracking, or a hybrid of all three.



Pro Tip: Software Solutions Improve Access to Multi Courier Networks

[Easyship](#) gives merchants access to 250+ courier solutions via established courier accounts. Access discounted rates up to 70% off, with no minimums required.

[ShipperHQ](#) allows you to streamline shipping options and manage all your logistics providers in one place with 50+ parcel and LTL freight carriers worldwide.


















Multi-Courier Shipping Enables Global eCommerce

Multi-courier solutions are the gateway to affordable international shipping.

According to the research firm Statista, [cross-border sales grew 42% from January to May 2020](#), outpacing domestic sales and generating higher revenues by margin.

As global eCommerce booms, multi-courier solutions are vital for enterprises looking to scale into international markets. This is because the cheapest rates on shipping often require access to regional courier services not available domestically.

Shipping platforms let you compare couriers by price, delivery time, and more to find the best rates, as seen below.

Courier	Delivery Time ⓘ ⌵	Tracking ⓘ	Rating ⌵	Service Options	Remarks	Import Tax & Duty ⓘ	Total Cost ⌵
 USPS - Priority Mail Cheapest Best Value	<div><div></div></div> 3 working days	<div><div></div></div> Regular	3.0 / 5 ★ 256 votes	 Drop-off  Free Pickup		Not required	\$8.12 ⓘ
 USPS - Priority Mail Signature	<div><div></div></div> 3 working days	<div><div></div></div> Regular	3.0 / 5 ★ 256 votes	 Drop-off  Free Pickup		Not required	\$10.77 ⓘ
 USPS - Parcel Select	<div><div></div></div> 6 working days	<div><div></div></div> Limited	3.8 / 5 ★ < 50 votes	 Drop-off  Free Pickup		Not required	\$11.35 ⓘ
 USPS - Parcel Select Signature	<div><div></div></div> 6 working days	<div><div></div></div> Limited	2.9 / 5 ★ < 50 votes	 Drop-off  Free Pickup		Not required	\$14.00 ⓘ
 USPS - Priority Mail Express Fastest	<div><div></div></div> 1 working day	<div><div></div></div> Regular	4.0 / 5 ★ < 50 votes	 Drop-off  Free Pickup		Not required	\$52.55 ⓘ

These software also display flat rate shipping for lowered costs, plus tracking and insurance options that customers want.

Whatever your exact needs, multi-courier shipping offers a set of tools to streamline operations and reduce costs.

Chapter 2







Consider Shipping Internationally

The coronavirus pandemic proved to be an accelerating force in global eCommerce. With online sales continuing to boom, retail opportunities in emerging markets are further amplified. Data confirms that consumer behaviors are shifting toward online purchasing.

This positions cross-border shipping as a key growth lever for enterprises going forward. That said, cross-border shipping is more complex than domestic shipping. Here's what you need to know to succeed with cross-border shipping.

6 Factors To Consider When Establishing Cross Border Logistics

- 1. Courier coverage:** Last mile delivery solutions vary by market. Unlike single-courier solutions, multi-courier networks offer affordable rates and efficient delivery timelines in all regions.
- 2. Variable import taxes and duties:** Each country assesses duties and taxes on imported goods. This raises costs and complicates checkout for customers.
- 3. Cost management:** International shipping can appear cost-prohibitive, especially if you're used to offering free domestic shipping. Shipping software allows you to set shipping rules to provide global customers with shipping options at checkout. This improves conversions and opens up additional revenue streams while ensuring cost-effectiveness on every order.
- 4. Customs documentation:** Cross-border shipments must clear customs, which means extra paperwork. The most important document is the commercial invoice, which describes the shipment for customs officers. Shipping software like Easyship automates customs declarations on your behalf for a smooth customs clearance process.
- 5. Shipping restrictions:** Check that you can import your goods into your target market. Use resources like Easyship's [shipping guides by country](#) which list restricted items, or visit the official customs page for your destination country prior to shipping, as these restrictions change frequently.
- 6. Global warehousing:** Storing inventory in foreign warehouses reduces the cost of international commerce. Using third-party service providers (3PLs) in your destination country also reduces customs fees and last mile delivery costs.

 DHL - Express Worldwide Fastest Best Value	<div><div></div></div> 1 - 3 working days	<div><div></div></div> Excellent	5.0 / 5 ★ 256 votes	Drop-off Paid Pickup	\$4.49 to be paid by receiver	\$38.42 ⓘ
 RRD - Priority Parcel Cheapest	<div><div></div></div> 12 - 18 working days	<div><div></div></div> Basic	not enough data	Drop-off Free Pickup	\$3.99 to be paid by receiver	\$28.56 ⓘ
 Flat Export Canada	<div><div></div></div> 9 - 13 working days	<div><div></div></div> Basic	4.8 / 5 ★ < 50 votes	Drop-off Free Pickup	\$4.00 to be paid by receiver	\$28.89 ⓘ
 Asendia - Fully Tracked	<div><div></div></div> 6 - 15 working days	<div><div></div></div> Regular	3.8 / 5 ★ 50 votes	Drop-off Free Pickup	\$4.27 to be paid by receiver	\$34.12 ⓘ
 APC - ParcelConnect Expedited	<div><div></div></div> 7 - 10 working days	<div><div></div></div> Basic	3.5 / 5 ★ < 50 votes	Drop-off Free Pickup	\$4.69 to be paid by receiver	\$42.50 ⓘ
 USPS - Priority Mail Express International	<div><div></div></div> 9 - 12 working days	<div><div></div></div> Regular	2.7 / 5 ★ 139 votes	Drop-off Free Pickup	\$5.93 to be paid by receiver	\$66.78 ⓘ

Sorted by cost and speed, these easy-to-use dashboards make strategizing for affordable shipping a painless process.

As you can see, selling cross-border is as simple as leveraging the right tools for global shipping.



Pro Tip: Use A Shipping Rate Aggregator

Calculating shipping rates for individual shipments is both inefficient and tedious. For this reason, most merchants use free tools like a [Cross-Border Shipping Calculator](#). This makes short work of identifying the best shipping rates by country, a key step in crafting an affordable cross-border shipping strategy.



Chapter 3

Account For Import Duties And Taxes

Accounting for import duties and taxes is a key step in crafting a cross-border shipping strategy. A customs duty is a tax imposed on goods shipped across international borders. Customs officers assess duties and taxes using the shipping label, commercial invoice, and other required documentation.

Different goods are subject to different duty and tax amounts, which vary by country. This means that your customer's total cost of shipping, or the landed costs, depends on what you're shipping, and where. Before a package can clear customs, all import duties and taxes must be paid - either by the merchant or the customer.

Taxable value is assessed based on the value of the shipped goods, which varies by country, and may include other amounts. When you ship internationally, you encounter two valuation methods for goods:

Deliver Duty Paid (DDP): Duties and taxes are paid before the package arrives at customs. This means the shipment won't be subject to additional fees and will pass through customs more quickly. The chosen courier transports the package from customs to the customer.

Deliver Duty Unpaid (DDU): Duties and taxes still need paying. The customer pays all costs to receive their item. DDU shipments are forwarded to a customs broker who collects the required amount from the customer upon delivery.



VAT: 20%
Import Duty: 6%
Threshold: GBP 15
London, United Kingdom



VAT: 8.18%
Import Duty: 9%
Threshold: USD 800
NY, United States



VAT: 20%
Import Duty: 12%
Threshold: EUR 20
Paris, France

Think twice about passing duty fees along to customers. According to Baymard Institute, [50% of shoppers say the main reason for cart abandonment is unexpectedly high shipping costs.](#)

To avoid blowback, show customers the fully landed, or total, shipping costs at checkout. Doing so requires you to use automated checkout experience solutions, like those included in shipping software. For example, Easyship automatically calculates the fully landed shipping costs per item at checkout.

With buyers expecting transparency from their favorite brands, merchants are increasingly pressed to offer cost-adjusted checkout experiences. Doing so reduces customs fees, facilitates timely delivery, and contributes to a worthwhile overall experience.

How Import Duties And Taxes Are Evaluated

Import duties and taxes vary by country, shipment category, and other factors.

To calculate import duties and taxes, multiply the taxable value of your shipment by the duty percentage of the destination country. Here are a couple of key terms to know as you calculate duties and taxes:

- **Free on Board (FOB):** The taxable value is the value of the item. In the case of sea freight shipping, FOB also includes the cost of transportation loading from boat to land. Air freight, though, is exempt from the added transportation costs. This is the best option when shipping goods that run the risk of triggering additional costs at customs, as FOB is a prepaid flat rate. This added coverage incurs slightly higher rates, though.
- **Cost, Insurance and Freight (CIF):** The taxable value includes the item value, the cost of any insurance and transportation to the final receiver. Delivering goods via CIF may result in added customs fees that must be paid by customers, so CIF is best used when you're sure items will clear customs.



Customs Tax Calculations

	Amount	FOB	CIF
Item Value	\$100	✓	✓
Insurance	\$10		✓
Transportation	\$5		✓
Total Taxable Amount		\$100	\$115
VAT/GST Percentage	7%	\$7	\$8.05
Duty Percentage	10%	\$10	\$11.50
Total Customs Tax		\$17	\$19.55

Seen above, CIF valuations tend to be more expensive and can add up quickly as you scale. You can simplify these calculations by using an import duty calculator.



Pro Tip: Use a Free Duty and Tax Calculator to Determine Fully Landed Costs

With import duty and taxes varying so widely, it's most efficient to use an [Import Duty and Tax Calculator](#) to find these costs. This helps you avoid unforeseen fees that sink conversion rates, but also ensure your packages breeze through customs without hangup.

Chapter 4

Warehousing And Third-Party Logistics

The hallmarks of effective warehouse and logistics partners are reach and flexibility. In other words, ideal partners exist nearby your customers, thus enabling you to move inventory into different geographies as needed.

At scale, merchants outsource warehousing to global third-party logistics companies (3PLs) to increase efficiency and customer retention at once. On average, [3PLs can process 8x more shipments per day](#) than other fulfillment solutions.

Faster processing times equal faster deliveries and happier customers. In the era of warp-speed delivery, [outsourcing with a 3PL](#) is often the correct strategic choice. These partnerships allow you to reliably accelerate delivery times, even if you lack Amazon's economies of scale.

Merchants may contact 3PLs directly to get the best rates. However, it's more common to access these distribution networks via shipping software, which partner with 3PLs and offer their services via an all-in-one platform. An added benefit of this approach is access to multi-warehouse networks, which, as you scale, can be savings multipliers.

Whatever your choice, outsourced warehousing offers a bouquet of key benefits, seen on the next page.





9 Benefits Of Warehouse Outsourcing For eCommerce

1. Proximity to Customers

Being closer to customers unlocks faster and cheaper shipping rates, both domestically and internationally

2. Faster Deliveries

Local warehouses offer same-day dispatching

3. Quality Control

Full-time packers oversee your well-protected packages

4. Reduced Costs

Negotiate handling fees to save money on every shipment

5. Pricing Clarity

Set fixed rates to provide exact shipping costs at checkout

6. Increase Efficiency

3PL partnerships require fewer labor hours and storage space

7. Streamline Delivery

Avoid damaging disruptions with a distributed team

8. Avoid Customs Snafus

Fulfill orders in the destination country to save money and ensure timely delivery

9. Lower Transportation Costs

It's smart to keep a warehouse nearby your manufacturer, if applicable

How To Choose Your 3PL



1. **Location:** Using a warehouse nearby customers shortens delivery times, cuts costs, and helps you avoid taxes and duties.



2. **Services:** Evaluate the 3PL's Service Level Agreements (SLA) on receiving, fulfillment, and returns with an eye for volume.



3. **Technology:** Look for a partner whose tech is compatible with yours. The more automation, the better.

Chapter 5

Optimize The Checkout Experience

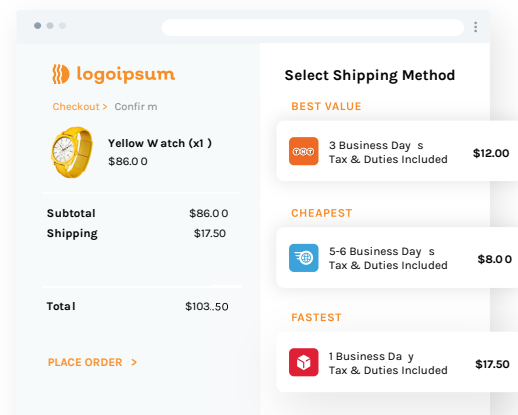
All your efforts in marketing and sales build to the moment when people click "purchase". Optimizing checkout is pivotal to maximizing your returns, revenue, and customer satisfaction.

Checkout optimization is the process of improving your eCommerce checkout flow in order to increase conversions. The majority of merchants have much room to improve in this area. According to Baymard Institute, [more than one in five \(21%\) of U.S. online shoppers have abandoned an order due to a "too long or too complicated checkout process"](#).

Checkout optimization can be a challenge because customers expect a seamless, yet option-rich experience. Retailers should aim to craft an intuitive and user-friendly point of purchase that exceeds expectations.

Amazon sets the standard in eCommerce, making their order flow a good benchmark. **Retailers can parallel Amazon's experience by offering key facets of its checkout, including:**

- Showing delivery dates
- Minimizing data input with auto-fill text
- Offering alternate payment methods
- Providing an option for guest checkout
- Offering alternative pickup or delivery options
- Offering multiple shipping options



Shipping options are a core friction point for shoppers, both in terms of price and delivery. According to a ShipperHQ survey, [82% of shoppers prefer to shop with stores that show delivery dates at checkout](#). Even more, [45% of shoppers](#) say they'd be willing to pay more to see these dates.





To reduce cart abandonment, retailers need to be transparent and detailed about shipping costs. The most effective way to provide these accurate and transparent shipping rates is by customizing rates for each order.

Automated, tailored rates provide a bevy of benefits to both the merchant and customer. Because each rate accounts for factors like origin, destination, shipment contents, and more, they provide unparalleled accuracy in rating. This allows merchants to charge customers the right amount without worrying about unexpected fees later in the shipping process.

These tailored rates can also help in less obvious ways, such as by validating address types to ensure applicable fees, like residential surcharges, are applied. Additionally, they account for shipping restrictions that could otherwise be missed and cause problems with deliverability or compliance, using customized shipping rules.

For example, if you're shipping an order with dangerous goods, such as lithium batteries, your shipping rules need to account for this before rates and methods are shown at checkout. You might also have compliance requirements to meet when shipping internationally.

Whatever the scenario, having a tool that automatically accounts for each facet of the process will increase accuracy and transparency, and in turn, customer satisfaction.



Shipping solutions like Easyship and ShipperHQ make it easy to offer tailored shipping rates. These platforms auto-calculate shipping rates based on the relevant shipping factors using shipping rules. Using a flexible shipping management tool, merchants can also:

- **Easily configure a long-term shipping strategy**

Retailers can choose which carriers to work with, which delivery methods to offer, and customize each option to account for factors unique to their store and individual orders.

- **Use shipping as a marketing tool to stay competitive**

By providing an Amazon-like experience at checkout, merchants can drive conversions and retention. Retailers can also create promotions to offer shipping discounts at any time, and customize who sees them and specify requirements like cart thresholds.

- **Be upfront about delivery dates**

Beyond simply offering a carrier-estimated delivery date, retailers can provide customers with custom-calculated dates that account for details like address type, lead times, blackout dates, carrier availability, and more.

- **Improve shipping margins by automating processes**

By eliminating manual processes within their operations, retailers will experience fewer delays and mistakes during fulfillment. With fewer overcharges, undercharges and delays, retailers can minimize revenue lost through shipping.

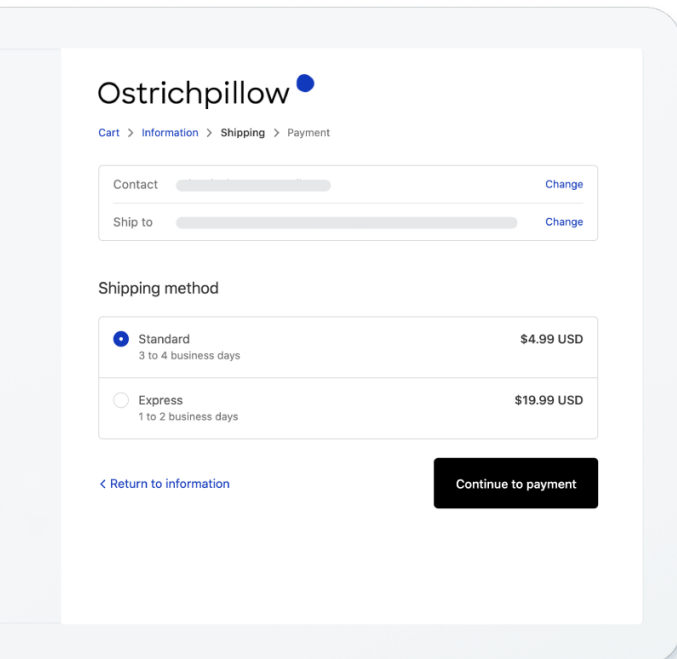


Pro Tip: Try Enhanced Checkout For An Amazon-like Experience

Show customers exactly what will ship when with Amazon-style Split Shipping, available with [Enhanced Checkout](#). You'll also get expanded support for alternate delivery options like BOPUS and time slot delivery, and detailed order information to speed up fulfillment.

4 Case Studies In Checkout Optimization

The following stories reflect just how essential a seamless yet choice-rich checkout experience is to eCommerce success.



Ostrich Pillow

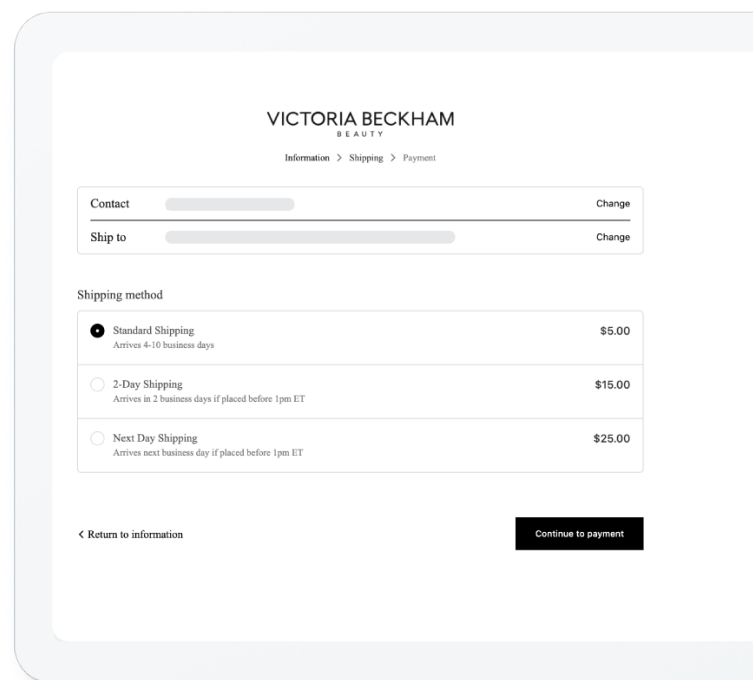
Ostrich Pillow needed more couriers to service its growing customer base in the APAC region. Using Easyship gave the crowdfunding campaign access to 8x more couriers, which unlocked a 62% reduction in shipping costs plus a 148% increase in customer satisfaction.

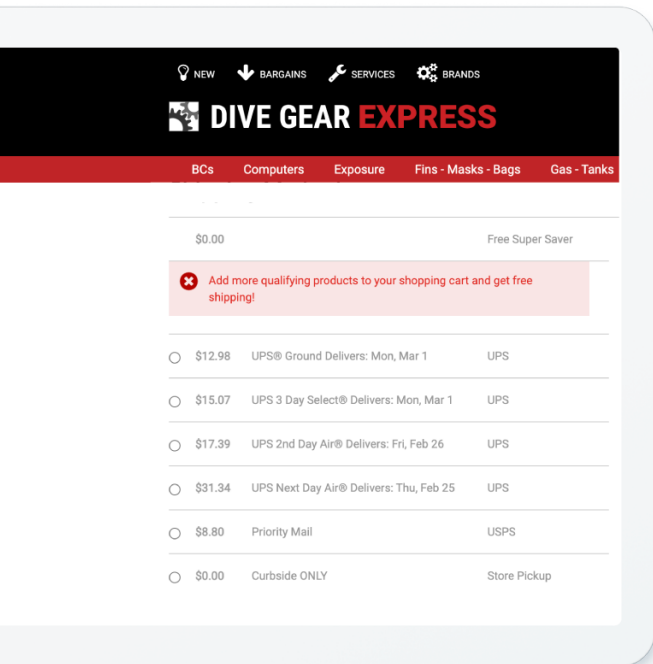
[Read more.](#)

Victoria Beckham Beauty

Victoria Beckham Beauty, a posh UK cosmetics brand, uses Easyship to integrate their fulfillment center and seamlessly manage orders from their store dashboard. This led to increased conversion rates and fewer abandoned carts.

[Learn how.](#) Easyship helps merchants of all sizes and verticals grow.





Dive Gear Express

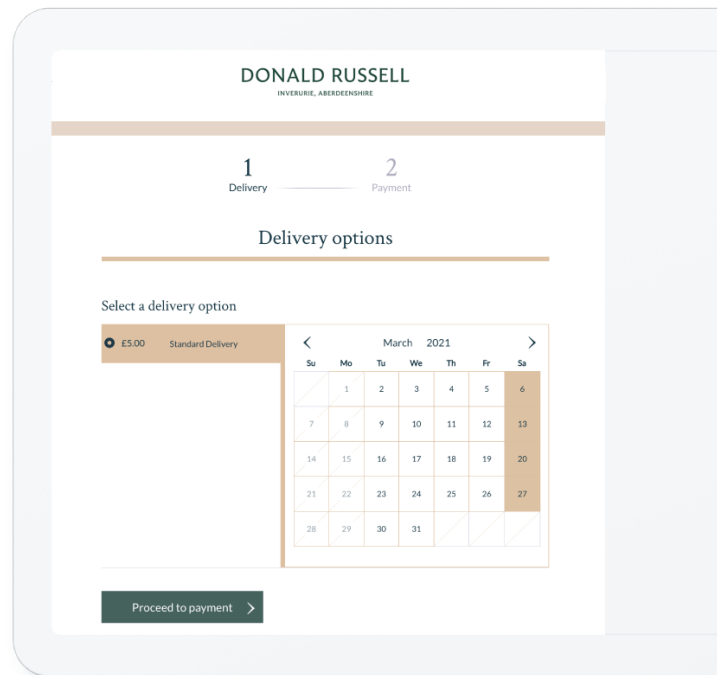
Dive Gear Express uses ShipperHQ to give buyers better delivery options, manage their free shipping program and provide dynamic rates at checkout. Handling all of this with ease greatly increases their conversions.

[Read more.](#)

Donald Russell

Scottish butchery Donald Russell uses ShipperHQ to manage shipping rules and show clear delivery dates at checkout. Syncing their delivery calendar with ShipperHQ has helped reduce service calls, in turn, boosting revenue and customer satisfaction.

[Read more.](#)



Shipping Solution Comparison Chart

Features	easyship	ShipperHQ
Geos Served	AU, BE, CH, CA, CN, DE, DK, ES, FI, FR, GB, HK IE, IN, IT, JP, KR, MX, MY, NL, NO, NZ, PL, PT, SG, SE, US	Global*
Pricing	Free: <100 shipments/mo Plus (\$29/mo): 101-500 shipments/mo Premium (\$49/mo): 501-2,500 shipments/mo Enterprise (Custom): 2,501+ shipments/mo	Standard (\$250/mo): < 10,000 orders, 4 Carriers Pro (\$400/mo): < 20,000 orders, 8 Carriers Enterprise (Custom): Unlimited Carriers
Dynamic Rates At Checkout	✓	✓
Link Your Own Courier	✓	✓
Discounted Carrier Rates	250+ Discounted Solutions	✗
Label Generation	✓	✗
Shipping Rules	✓	✓
Dimensional Packaging	✓	✓
Import Tax And Duty Calculation	✓	✗
Pre-Filled International Documents	✓	✗
Multi-Origin Fulfillment Management	✗	✓
Backup Carrier Rates	✓	✗
In-Store Pickup	✗	✓
Real-Time LTL Freight Rates	✗	✓
Address Validation	✓	✓
Discounted Shipping Insurance	✓	✗
Branded Experience (Notifications, Tracking Page, Shipping Docs)	✓	✗
Returns Management	✓	✗
Global Fulfillment Network	✓	✗
Delivery Date & Time	✓	✓
Worldwide Tracking	✓	✗
Restricted Items	Alcohol, Firearms, Power Banks, Live Animals	None

*There may be some regional carrier limitations not related to ShipperHQ
Disclaimer: Features have been verified as of January 1, 2021. Please contact hello@easyship.com for any inquiries.