



Shipping Concerns with E-Commerce

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Shipping Concerns with E-Commerce

When designing e-commerce sites, significant effort is invested in making a site user-friendly and presentable. These things are very important, but one aspect of e-business that has not been given the attention it deserves is *shipping*.

Shipping seems to be the last thing considered when setting up an e-commerce site. Take E-toys, for example: After successfully launching their web site and receiving countless orders, they almost collapsed because of their poorly designed back-end system. Their logistics system and shipping procedures were inadequate to handle the number of orders placed. Many of the orders were late or never arrived at all.

This is unacceptable for an e-commerce site. You cannot afford to have customers displeased with your site. If customers go through the ordering process and end up never receiving or receiving the product late, chances are they will never return to your e-commerce site again. Shipping is one of the most important factors for customers when shopping online:

- Free shipping and handling was the leading incentive for almost half of consumers to make a purchase online.
- Ninety-four percent of online shoppers are also concerned about unreasonable shipping prices, with 44 percent having abandoned an online shopping cart due to shipping costs.

Shipping fees remain the major reason people do not shop online. Thirty-four percent of all Internet users reported "lower or no shipping fees" as the top feature that would make them choose to buy more online than in traditional stores. Even among those who did buy online, shipping fees emerged as the feature with which they were least satisfied.

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How Should You Ship?

Based on the size and nature of your e-business, fulfillment can be done either in-house or be outsourced. E-companies that don't maintain a large amount of physical inventory tend to fulfill orders in-house. E-tailers that have a large selection of products can often outsource the fulfillment process.

To remain efficient, the methods of order fulfillment and distribution should evolve to accommodate e-commerce companies of any size:

- Small, home-based e-stores should attempt to fulfill orders as soon as they are placed. Depending on the products and the available space, an assembly-line type of order processing system can be adopted and modified as volume increases.
- As the home-based business begins to grow or as the needs for larger inventory increase, office/warehouse space can be leased. In that case, new systems need to be devised for the orders to be processed as efficiently as possible. If the fulfillment area is housed separate from the order transaction area (call center in one building, warehouse in another) new and more advanced procedures should be developed as well.
- Larger companies or e-businesses that have a great amount of physical inventory should consider a fulfillment service. Many distribution houses offer a wide array of back-end and front-end systems, such as shopping cart technology and freight services.

Where to go for Shipping

There are a number of options for e-commerce sites when selecting shipping services. UPS and Federal Express are two excellent providers. UPS has software called OnLine® WorldShip® while FedEx uses Ship Manager. Check out www.ups.com or www.fedex.com, and click on their respective e-commerce sections. Canada Post also has an excellent array of tools for e-business. Check out www.epost.ca for more information. All three of the organizations offer similar services.

Shipping should not be taken lightly when designing an e-commerce site.

Below are some options you will want to consider when setting up your shipping process.

Will you:

- Be able to process domestic and international shipments?
- Be able to print labels and pickup records?
- Be able to send package details electronically?
- Have direct access to the organizations web site, enabling you to track packages and order supplies?
- Be able to view time-in-transit options?
- Be able to locate drop-off locations?

These are some of the considerations when choosing which company to use for e-commerce shipping solutions. You must choose your company carefully. The decision should only come after carefully considering your shipping needs. Will you be shipping out of country? Will your customers want to track their packages? How much does the service cost? These questions and many others need to be answered long before the shipping procedures are put in place. Shipping should not be taken lightly when designing an e-commerce site. It should be given as much consideration as the site design, because without a good shipping system in place, it is impossible to develop repeat customers.

Ways to Handle Returns Effectively

When operating an e-commerce site, product returns are a fact of life. Business owners should make life as easy as possible for customers who want to return products. Excellent customer service will benefit you in the long run as it produces repeat customers — something every business needs to survive.

To enhance customer satisfaction with the return process, online retailers should aim to make the process cheaper, quicker and easier.

When customers know they will be able to return products with no hassle and at no cost, they will be more inclined to buy from you.

Here are a number of ways to make returns easier on the customer:

- Ideally an optimal online return policy would be a 100 percent money-back guarantee (although this may not be feasible)
- A reasonable period for customers to return products with no penalty (i.e. three weeks after receiving product)
- Not charging customers a late fee
- No charge for postage when returning products by mail
- E-mail contact is especially important to online purchasers who would like to keep in touch with a company when pursuing the return process
- Toll-free helpline for customers
- Provide the option of returning products to a local store

Making the customer's job as easy and as painless as possible when returning products will benefit your business. When customers know they will be able to return products with no hassle and at no cost they will be more inclined to buy from you in the first place. Having excellent customer service and a trouble-free return service is an important selling point for your web site. Within the next few years these features will become commonplace in online commerce. Now is the time to make use of them and to build customer loyalty.

Contact Us

The Alberta E-Future Centre, a service initiative of The Business Link, is your first stop for e-business information in Alberta. We offer free, impartial, and easy-to-understand e-business advice and information for small and medium-sized businesses. Our goal is to help entrepreneurs make more informed decisions as they adapt to technological change. If you have any questions, we are only a visit, click or a call away!

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