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2022

How To Prep For Peak Season Shipping

The Ultimate Small Business E-commerce Fulfillment Guide & Checklist

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✅ How To Prep For Peak Season Shipping

We're heading into the tailend of summer, which means it's almost *that* time of year again! But where many savor the burgeoning chill in the air, the smell of fir trees and peppermint, and the crackling sound of a yule log in the fireplace, those of us in the wonderful world of e-commerce can sometimes have a slightly different reaction to the arrival of the holiday season.

Panic!

That might be a slight exaggeration, but **it's no secret the holiday season is reliably the busiest of them all — which is why we're here to help you get ahead of the peak holiday season rush.**

Of course, we all know these past couple of years have been unlike any we've experienced before. The supply chain disruptions and variant-fueled staff shortages of 2021 impacted the usual end-of-year rush earlier

and more aggressively than years past, highlighting the urgency and importance of having a strong shipping and fulfillment plan in place. While we've adjusted our 2022 strategies with these hiccups in mind, growing inflation costs and a near-impending recession are creating new challenges that are sure to impact the entire e-commerce industry throughout this upcoming peak. Retailers should prepare to address not only the delays and disruptions experienced in years past, but also shifting consumer needs and expectations that come with tightened belts and a sluggish economy. With all of this in mind, it's crucial to start prioritizing and planning for peak season now, rather than waiting until you're in the thick of it later this year. While it may seem like we've still got a ways to go, getting started in October simply won't give you enough time to get all the moving pieces in place.

By ticking all the boxes on this handy peak season shipping guide, you'll be well-equipped and on your way to not just surviving, but thriving and delighting your customers at every step this holiday season, from goal setting and planning to carrier strategy and the inevitable returns rush.

Step 1: Review Data From Peak Seasons Past

The best way to prep for future success is to look back at where you've been. You need to understand what went well for your business as well as what you should improve in order to make the best decisions about which strategies and processes to implement this upcoming season.

While last year presented its own specific challenges that may have impacted the numbers, you will likely still identify valuable insights that you can leverage to help you get ahead of this year's consumer and industry trends.

We recommend reviewing the following metrics:

- Shipping Costs
- Customer Support
- Returns
- Inventory Management System
- Order Volume
- Carrier Transit Time

Shipping Costs: What was your overall cost of shipping during peak? How did shipping costs fluctuate over the months and weeks through the end of the year? Which carriers and service-levels were the most cost effective across peak season orders? Did that change according to factors such as package size or destination?

Customer Support: How many WISMO ("Where Is My Order") calls or emails did you receive? How quickly were you able to solve incoming order inquiries? How satisfied were customers with your responses and solutions?

Returns: What was your post-peak return volume? How much did your customers pay for return shipping? How did your customers respond to your e-commerce returns experience?

Inventory Management Data: How accurately did you forecast demand? Were you able to quickly fulfill orders by efficiently managing inventory? How did seasonal promotions impact sales and fulfillment? What were your most popular SKUs?

Order Volume: How many orders did you fulfill this time last year? How much did order volume fluctuate through the end of the year? Which months, days, and times of last year's peak saw the biggest spikes and lulls?

Carrier Transit Time: On average, how long did it take a peak season order to get from your fulfillment location to your customer?

✅ Step 2: Define Your Goals And Set Your Budget

Now that you've reviewed and analyzed your historical data, you can make informed decisions around how to meet your seasonal and end-of-year goals. Of course, you first must define what those goals are, depending on your specific business needs, ideal customers, revenue targets, and other factors.

Once you've decided on your objectives, you'll need to set a budget that enables you to meet those goals without going overboard. Review your previous season's spend compared to year-over-year revenue goals to project what's reasonable on both the high and low ends.

It's also important to consider that many carriers and other third parties involved in fulfillment processes often raise rates or charge extra fees during this busiest of seasons — do your due diligence as the season approaches to get a solid understanding of how these costs might impact your expected spend and revenue.

✅ Step 3: Make Sure You're Well-Stocked And Ready To Handle Customer Demand

As an e-commerce merchant, being well-prepared to meet a peak season spike at the outset gives you the opportunity to deliver more of your most popular products to more customers with more speed, driving better end-to-end fulfillment experiences and — ultimately — more loyalty.

It's crucial to consider that once volume reaches and then surpasses a certain point, it's easy to get overwhelmed by the fulfillment process.

Look at your most popular SKUs and those sold at high volumes throughout the year, and research which product categories may be trending this holiday season so you can strategically bulk up on the inventory most likely to fly off the shelves. In addition to forecasting which items will need to be restocked regularly at the top of the season, keep a close eye on how inventory is performing throughout peak, especially as holiday shopping starts to really ramp now through early fall. While supply chain issues have eased since this time last year, it's still crucial to consider potential delays when restocking sold out merchandise.

Proactively measuring, planning for, and managing inventory ebbs and flows will allow you to efficiently address spikes in demand before your business becomes overwhelmed.

Another way to get ahead is by identifying where operations tend to get stuck, and implementing process automations to improve workflows and bridge those gaps. One potential solution can be found in shipping automation rules that auto-apply carrier and service-level preferences as defaults or "if-then" rules, helping you print labels and get packages out the door 50% faster. Manifests also help streamline and speed up your shipping process, providing you with a one-page document and a single bar code that carriers can scan to accept several packages at once. We also recommend stocking up on packaging and supplies now to avoid facing scarcity and delays as order volume upticks impact the entire e-commerce industry. It's also good to note that USPS can help minimize your costs on this front by offering free shipping supplies for certain package sizes.

Ultimately, your goal is to get increasing order volumes out the door as quickly as possible, while understanding where to dial up and where to scale back. An integrated end-to-end fulfillment tech stack, solid infrastructure plan, and efficient operations will help get and keep you there all season long.

✅ Step 4: Understand Your Carrier Mix's Strengths And Weaknesses

No matter the time of year, shipping should never be viewed as a 'set it and forget it' function of your e-commerce fulfillment operations. Market fluctuations, service disruptions, and an increasingly fragmented ecosystem mean carrier opportunities and challenges will vary constantly. This is especially true during peak season, so pay extra attention to pricing changes, delays, shipping cut-off dates, and other factors that could impact your fulfillment process.

Educate yourself ahead of crunch time so you can identify which carriers are best equipped to help you meet your goals.

If you're shipping internationally vs exclusively domestically, for instance, you'll want to explore a range of global carrier options to identify the best

fit for your and your customers' needs. Regional carriers may deliver faster at a lower cost to certain destinations, while popular national carriers may make more sense when shipping a certain weight to zones further away.

Diversifying your carrier mix according to your specific goals and customers can help you meet a variety of preferences while maximizing the bang for every peak fulfillment budget buck. Building relationships with multiple carriers – and checking in with those carriers as soon and as often as possible – will help ensure you're well-equipped to make adjustments on the fly. For example, certain carriers are cutting down on weekend delivery options, and remaining aware and agile in the face of these changes is crucial to providing a positive experience for your customers.

Stay informed of changes and disruptions, and maintain an agile mindset so you can reassess options when necessary.

We recommend keeping tabs on the following:

Price increases: Most carriers increase their rates ahead of the busy holiday season. This may be a one-time change at the beginning of the season, or several changes rolled out over weeks or months.

Delivery timelines: As demand and deliveries increase, resources get stretched thin. Carriers usually offer guidance around updated pick-up and delivery timelines as well as cut-off dates — you need to be aware of these timelines to make sure orders get out the door in time, and so you can communicate them to your own customers. We recommend getting ahead of customer stress or confusion by making sure these "Purchase By" deadlines are clear and prominent throughout your website, marketing emails, and other channels.

Service disruptions: As we've all had hammered into our heads over the past two years, it's crucial to not only expect but anticipate the unexpected. Disruptions can occur for any carrier, for any number of reasons, and the only way to get your holiday shipments around these challenges is to make sure you're aware of and prepared for them.

Harness the right tools and technology to efficiently make the best decisions for your business.

Comparing carrier rates across service-levels will help you determine which options are the best for your needs at any given time, but you need the right technology in place to do so in a way that's both time and cost-effective.

Best-in-class shipping solutions such as Shippo enable e-commerce merchants to compare rates across a vast network of carriers in real time, and seamlessly integrate with e-commerce platforms to sync order data for seamless end-to-end fulfillment. Features such as manifests, batch label printing, partial fulfillment, and automations — which apply predetermined rules to label purchases according to factors such as package weight, destination, or SKU — can cut the time it takes to ship in half.

That time saved will come in extra handy as you scale your fulfillment operations during the busy holiday season.

✅ Step 5: 'Tis The Season To Show Your Customers Some Extra Love

Delighting customers is a top priority all year round, but the holidays offer an excellent opportunity to stand out from the rest of the retail crowd.

One way to make a memorable impression is with a festive unboxing experience, adding creative brand elements to your packaging or personalizing each order with a handwritten 'Thank You' note.

But you don't have to wait until the package arrives — in fact, there are multiple touchpoints along the fulfillment journey where you can work to grow customer love and trust:

☑ **Offer multiple shipping options:** No two customers are alike, and that means you should be equipped to meet a variety of consumer preferences and needs. Some people prefer free, while others prefer fast — by offering multiple options at checkout that meet a variety of preferences, you open the door for more customers to choose the shipping cost and time that work best for them.

☑ **Set shipping and delivery expectations upfront:** Include clear language about what your shipping process looks like and what options are available — and make sure the messaging is front and center. For example, while not all merchants can offer free and fast shipping, as long as you're clear about the stipulations (e.g., free shipping comes with a few extra days tacked on, or is only available after a certain threshold) it's still very much a selling point.

> " Consumers visit an order tracking page, on average, **3.5 times** per order. "

☑ **Shipping insurance:** Offering the chance to insure a package, especially for those containing higher-value orders, will give your customers much-needed peace of mind at check-out and throughout the delivery process. Shipping solutions such as Shippo allow you to easily add third-party shipping insurance to any qualified order while purchasing the label, which makes it incredibly easy to protect valuable shipments during this busiest time of year.

☑ **Order tracking and updates:** Consumers visit an order tracking page, on average, 3.5 times per order. It's clear today's online shoppers want to be kept in-the-know at every step, from package pick-up, to movement en route, and upon arrival on the doorstep. Communicate with them consistently to avoid confusion, frustration, or worse. You'll keep them at ease by not only providing access to tracking information, but offering proactive updates through email, SMS, or other popular communication channels. You can even use your order tracking experience to further engage with your customers. With Shippo's tracking feature, for instance, you can recommend products, promote sales, and highlight upcoming events. You can also clearly communicate important information such as your return policy (but more on that later).

When all is said and done, the best way to gauge your customer experience throughout the full journey is simple — just ask! You can gather feedback via CSAT surveys, review sites, social media, or even just a simple email requesting a response about how you did. However you decide to gather and analyze the data, this practice not only helps you make informed decisions about how to improve your offerings next holiday season, it also provides more immediate fulfillment strategy insights for the new year, and shows your customers that you care about and their experiences and opinions – both good and bad.

> **"** The best way to **gauge your customer experience** throughout the full journey is simple — just ask! **"**

Depending on your approach, your e-commerce experience over the holidays can make or break a consumer's relationship with your brand. Essentially, today's shoppers want **a) choice** and **b) clear communication** — hit both targets by allowing them to decide which fulfillment options are best for their individual needs, and keeping them in the loop every step of the way to inspire confidence in your brand.
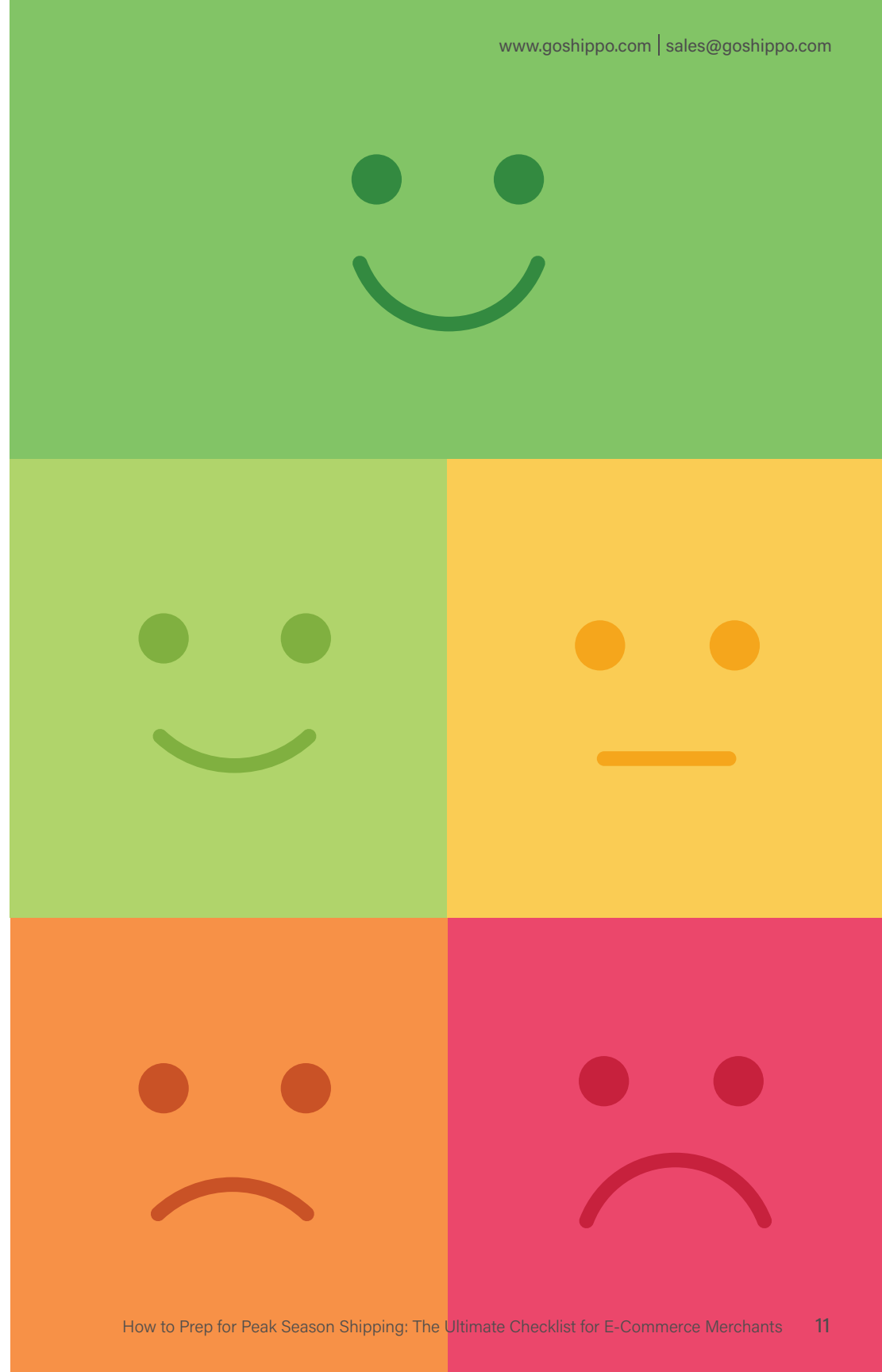
✓ Step 6: Get ahead of returns

We all know after the holiday e-commerce purchasing rush comes an influx of holiday returns. Returns increased by 6% in 2021 from the previous year, totaling $761 billion worth of returned merchandise. We can only expect that trend to continue as we move toward the end of 2022 and into 2023's post-holiday returns season.

Our 2022 E-commerce Returns & Exchanges Report found that **96% of consumers are more likely to make a purchase if free returns are on the table, 91% say that the ease of their returns experience impacts their willingness to shop with a retailer again, and 67% say a negative returns experience stopped them from shopping with a specific retailer again.** Yikes.

With the increase in e-commerce adoption, hassle-free returns and exchanges are now table stakes. A complicated, restrictive, or expensive returns experience can instantly influence a consumer's brand perception, so it's crucial to simplify the process as much as possible, and communicate openly and often.

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of consumers are **more likely to make a purchase** if free returns are on the table

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6% increase

Returns increased by 6% in 2021 from the previous year, **totaling $761 billion** worth of returned merchandise

67% say a **negative returns experience stopped them from shopping** with a specific retailer again.

Refund Policy

You can keep customers at ease from the get-go by providing a clear policy upfront, calling out any seasonally-specific restrictions or special instructions for gift returns and exchanges (Shippo's handy Refund Policy Generator can help you determine the right policy if you don't already have one in place).

You can also generate scan-based return labels to include with packages in case they're needed, providing your customers a more seamless, simple experience. In fact, 30% of consumers prefer initiating a return using a pre-printed label, and 88% are more likely to purchase from an online retailer or brand that includes one of those labels with the shipment. And you can provide this at no extra cost upfront – you don't pay for the return shipping unless the label is actually scanned, making this method of managing returns low-hanging fruit for retailers who want to keep first-time and existing customers coming back for more.

Whichever strategy you decide to implement, take time to at least think about how returns and exchanges play into your overall customer journey — and how you'd ultimately like them to — especially during the busy gift-giving season.
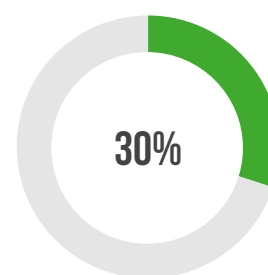
30% of online consumers **prefer initiating a return using a pre-printed label** for returns
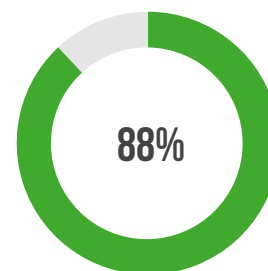
88% are **more likely to purchase** from an online retailer or brand that includes one of those labels with the shipment

Wrap Up Your Peak Season Up With A Bow

Preparing your e-commerce business for the upcoming holiday shopping and shipping season doesn't have to be a stressful experience. By checking off these six boxes — each tailored to your specific fulfillment needs — you'll be well on your way to streamlined processes, lower operational costs, increased seasonal revenue, and (most important of all!) happy customers who can't wait to come back for more.

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About Shippo

E-commerce is complex. Shipping doesn't have to be.

Shippo helps you grow your business by integrating with your workflows, providing experienced support, and connecting you with easy access to the best rates at the most carriers.

- **Easy access to the best rates on the most carriers:** Access over 85 carriers worldwide and best rates at each, including regional carriers others cannot provide.

- **The end-to-end shipping platform for every business:** Make shipping a seamless part of your business - connect your e-commerce platform or build our implementation-ready API directly into your workflow, fulfill orders quickly with smart defaults and configurable automations, and gain insights that help you ship smarter with analytics and reporting.

- **Support every step of the way:** Go with confidence thanks to our experienced customer support, implementation and success teams. We have the shipping knowledge to get you started quickly and keep you up and running consistently.

- **Grow into the future with Shippo:** You will only ship more tomorrow. Shippo is there for you with 99.99% uptime, a modern tech stack, and all the features you need to create a greater brand connection to your customers and scale to match your highest ambitions.

Get Started Today

SIGN UP AND SAVE

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