How to Fix an Inefficient Shipping Strategy:

Become a Multi-carrier Shipper

Table of Contents
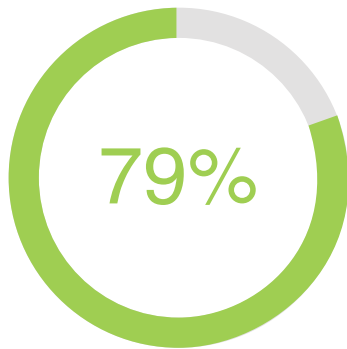
E-commerce Puts the Spotlight on Shipping

There's no denying that today's e-commerce consumer expectations converge on one key part of the process: shipping. 31 percent of consumers will wait to make a purchase until there's a free shipping offer.[1] And, 79 percent of consumers said free shipping would make them more likely to shop online.[2]

79%

Consumer Expectations

79 percent of consumers said free shipping would make them more likely to shop online.
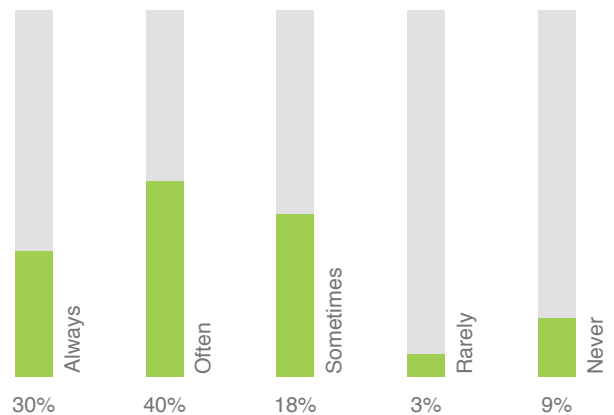
The unsurprising, yet harrowing, reality is that not only is Amazon driving these new consumer expectations, but it is also taking a big bite out of the e-commerce pie for itself.

- Amazon is responsible for 49.1 percent of the U.S. retail e-commerce sales as of 2018.[3]

- More than one-fourth of respondents have purchased a product through Amazon because it was faster and less expensive than other options.

- 15 percent of consumers report that online retailers always offer shipping options that meet their needs for speed-of-delivery, compared to 30 percent that report the same for Amazon.

How often do online retailers offer shipping options that meet your expectations for delivery speed?

Always	Often	Sometimes	Rarely	Never
15%	45%	28%	6%	7%
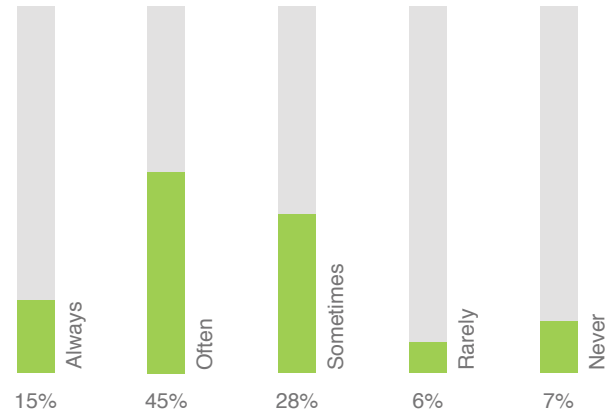
How often does Amazon offer shipping options that meet your expectations for delivery speed?

Always	Often	Sometimes	Rarely	Never
30%	40%	18%	3%	9%

[1] " Actions Taken By Digital Shoppers…" Statista.
[2] "The Future of Retail 2018." Walker Sands Communications.
[3] "Amazon Now Has Nearly 50% of US Ecommerce Market." eMarketer.

If you sell online, by now you must consider Amazon a competitor to your business. And if you want to be successful in this cutthroat landscape, you have to take a close look at your shipping strategy. Not only is it critical to offer a wide range of delivery options at different price points, but you also need to think about optimizing your fulfillment operations to save yourself time and money with each package.

The Shipping Secret to Success:
Diversifying Your Shipping Mix

While it may seem sufficient to lean on only one shipping carrier for all of your fulfillment needs, it can end up being detrimental to your business.

For example, you may have already integrated your carrier's shipping API, like UPS, but what do you do when you need to ship a small, lightweight package to a residential address? You might ship it via UPS—and incur the residential delivery surcharges plus higher costs—or leave your workflow and manually enter shipping information to print a label via the U.S. Postal Service.

Smart retailers will lean on different carriers for different package needs. But if you're only integrated with one carrier, the process becomes a cumbersome, multi-step approach to shipping a single package as you leave your workflow to create a shipping label.

It can be costly for retailers: the slower process is much more susceptible to human error in entering package information and comparing rates. Plus, if your carrier of choice experiences delivery delays or other unforeseen complications, your entire shipping operation shuts down.

"First, we had a direct UPS integration which worked okay, but not great. Then, we switched to FedEx, which did not have an integration, and it wasn't good. It made us question our entire process."
-- Geoff Repella, president of Byrd Cookie Company

Leveraging multiple carriers, including regional services, is also a great way to compare rates and optimize for cost. "We asked shippers what they plan to do to keep costs in check over the next 12 months," says Rob Martinez, president and CEO, Shipware LLC. "54 percent answered that they were planning to increase their use of regional [carriers] and USPS."

Finally, a multi-carrier approach gives you the upper hand when it comes to negotiating rates and contracts. It solidifies the fact that you can take your volume to other carriers instead, and knowing what rates the other carriers will charge will help you determine what rates you should be getting.

Optimize your order fulfillment process and join the 51 percent of online retailers that use more than one shipping carrier.[4]

The Carrier Cheat Sheet

USPS: The U.S. Postal Service is great for smaller, lightweight packages traveling to residential addresses.

FedEx/UPS: FedEx and UPS are preferred for larger, heavier packages that require a time-definite delivery.

DHL: DHL has cost-effective options for international delivery. It is also helping retailers experiment with unique delivery offerings that cater to evolving customer demands, like its Parcel Metro same-day delivery program.

Regional Carriers: Regional carriers like OnTrac and Lasership are optimized for local delivery, which can help you save costs for packages traveling shorter distances.

Online retailers that use more than one shipping carrier

51%

[4] "2017 State of Shipping" Shippo.

Weighing the Options:
How to Integrate Multiple Carriers

There are a few ways you can implement a multi-carrier shipping approach for your business. You'll want to think about the resources you have available, the technical know-how of your team, and the integration requirements of your software.

Option 1: Should You Hire or Assign a Developer?

Traditionally, if you wanted to add new integrations to your technical stack, you would need a team of developers working on it. However, that process comes with its own challenges and costs. Before getting started, ask yourself:

- Do you want to divert your engineering resources away from important projects for the company? Most companies have limited engineering teams that are usually devoted to iterating on an actual product—and are hard pressed to divert their attention elsewhere.

- Will you be able to maintain the direct carrier integrations? Software is routinely updated and if the integration breaks from missing a version upgrade, your logistics team screeches to a standstill.

- Do you have the budget to pay a developer to integrate multiple carriers? Each carrier has its own requirements for integration, such as the ability to construct a label, host custom rates, transfer data via different methods (EDI, FTP, etc.), and more.

The other downside to integrating each carrier is that they won't automatically "talk" to each other without significant effort by the developer. So, you'll still be manually comparing rates across the carriers.

Option 2: Can Your Management Solution Support Your Needs?

You're likely already using an order management solution (OMS), warehouse management solution (WMS), transportation management system (TMS), or one of the other options to help you handle your operations.

You can reach out to your existing management software to see if they can connect you with multiple carriers. Keep in mind that if they don't already offer the desired integration, it can take months for them to add new solutions, which often comes with a hefty final invoice.

Option 3: Leverage a Multi-carrier Shipping API

A multi-carrier shipping API lets you connect with a wide range of global carriers at once, including FedEx, UPS, USPS, DHL, Canada Post, Australia Post, RR Donnelley, Globegistics, and more.

Most importantly, a multi-carrier shipping API is flexible enough to support your unique needs and existing technological stack. The API can integrate with the software your teams rely on for customer support, order management, warehouse management, and more, so that the status in the software is updated when orders are shipped, delivered, etc.

API functionality is modular, so that you can adapt the API to just use the features you need and customize those features specifically for your business. For example, you can use a tracking API to keep tabs on all of your packages in one place and push tracking updates to other solutions you use. You can also just use an address validation API that automatically confirms and updates addresses to ensure your packages arrive at their intended destination.

A Multi-Carrier Shipping API is

Flexible

An API works with other resources, so that you don't need to spend time manually bouncing back and forth between platforms. It also helps to automate much of the label printing process by pulling in shipping information to the software you use.

Cost Effective

With a shipping API, you're integrated with a wide range of shipping carriers worldwide. Instead of paying for the cost of upkeep for a handful of carrier connections, now you can rely on just one. Plus, a multi-carrier shipping API lets you compare rates directly and automatically.

Easy to Implement

With detailed API documentation, references, easy-to-follow sample code, and client libraries, it's easy to implement a shipping API. Plus, there's a team of engineers working behind the scenes so you don't have to worry about upkeep.

Modern

Other backend technologies get bogged down by years spent adding updates on top of outdated code, which makes it even more challenging to improve or iterate on the solution. On the other hand, a shipping API is typically built on modern technology for quick iterations and seamless integrations.

Shippo: A Powerful, Multi-carrier Shipping API Built for Performance

Shippo is a reliable, easy-to-use, and powerful shipping solution. Its API streamlines your carrier integrations and has an extensive list of compatible platform solutions, resulting in less resources required from your operations and engineering teams.

What's more, Shippo's API is built with your performance in mind.

- Shippo's best-in-class uptime (~99.9 percent) and reliability separate this shipping API from its competitors and offer you peace of mind.

- The Shippo API is built for scalability, supporting businesses as they grow from a few packages a month to hundreds of thousands.

- Shippo offers an end-to-end tracking endpoint consisting of webhooks that provide unified status updates, both internally and externally, across 55+ global carriers.

- Shippo meets all technical requirements needed to integrate with an existing order management or fulfillment stack.

- Shippo is GDPR compliant and strongly committed to keeping your data secure.

- Shippo has a rating engine that can host rates locally, including USPS rates, for improved performance, so your business operations will not be impacted if certain carriers ever experience downtime.

- Shippo offers unparalleled support to its customers, including VIP service and an activation team that consists of both technical resources and account management to help ensure you're getting the most value out of Shippo.

"Integrating Shippo's one API for multiple carriers was incredibly easy to get up and running, especially with their documentation and very responsive customer service. Shippo's robust and stable system allowed us to scale the business without worrying about shipping."
-- Win Raguni, CTO of Vango Art

"It's truly about seamless physical integrations—from label printing to packaging to scanning and tracking. Shippo helped us learn a lot about our operations—what's working and what's not—so we could make changes in our warehouse. In the end, this translated to time and efforts saved for us."
-- Matthew Berk, CEO of Bean Box

Contact Us

If you're interested in implementing a multi-carrier shipping stratergy using the Shippo API, please get in touch with a shipping expert at sales@goshippo.com or contact us here.