



# Learning From Your Peak Season

## How to Optimize Your Parcel Shipping Strategy for the Coming Year

You probably don't have the time to make major adjustments to your shipping strategy during your busy season. But once things start to calm down, analyzing shipping data from your peak season can give you helpful insights into how you can save time and money in the future!



For small and mid-sized businesses (SMBs), **regularly evaluating your shipping strategy is crucial to your success (and the success of your bottom line)!** It's especially important to review whether your shipping strategy keeps up with your busiest times of year and see if there are ways to improve your processes — saving valuable time and money for your business.

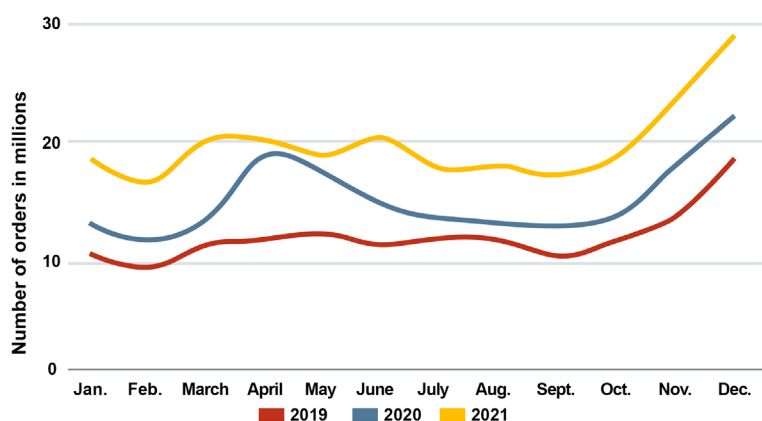
**If you're like most small package shippers — especially if you manage an e-commerce business — peak season is probably synonymous with the holidays.**

This is the time of year surrounded by popular shopping holidays like Black Friday, Cyber Monday and Christmas, when online and in-store purchases increase. This peak holiday shopping (and shipping) season starts as early as October and lasts through the New Year and into January (and even February) as holiday returns and exchanges continue.

## Calling all e-commerce shippers!

Did you know? E-commerce orders continue to grow year-over-year — and are expected to account for **25% of global retail sales by 2024**<sup>1</sup>

### Monthly U.S. E-Commerce Package Volume <sup>2</sup>



**Looking to expand into the world of e-commerce?**

**[Download our free e-guide](#)**

and learn how to develop a successful e-commerce shipping strategy.



Once your orders have slowed down (but peak season is still fresh in your mind), **we recommend taking the time to analyze your shipping data and reflect on what went right — and where there's room for improvement!** So if you've finally found a moment to breathe and regroup after your busy season, **follow along as we review how you can optimize your peak season strategy for the coming year.**

1. GroupM (2020). This Year Next Year: E-Commerce Forecast.

2. Data provided to Unishippers, courtesy Convey by Project44.





## STEP ONE

# Familiarize Yourself With Your Supply Chain

Now is the perfect time to familiarize yourself with your supply chain network by reviewing what worked (and what didn't) during peak season — and by planning for potential disruptions in the future.

### WHAT IS SUPPLY CHAIN VISIBILITY?

Some companies may refer to supply chain visibility when tracking the movement of a product from its initial shipment to its final destination. However, full supply chain visibility typically refers to **the ability to track several types of processes within the supply chain**, from sourcing raw materials to production and distribution, all the way to final delivery.

### WHY IS SUPPLY CHAIN VISIBILITY IMPORTANT?

While we know that every year is different — and that industry capacity and the global economy play a large role in the effectiveness of your network — **there is still plenty of useful information you can gain by reviewing last year's supply chain performance**, even if the market is changing. Analyzing previous issues in your supply chain can open your eyes to your network as a whole, giving you greater visibility in order to:

- **Determine any pain points or weak links in your network, giving you the ability to respond to and mitigate issues faster (and with less profit lost)**
- **Better integrate your capabilities and find ways to limit costly redundancies**
- **React more quickly to fluctuations in product demand during your next busy season**





## MAPPING YOUR SUPPLY CHAIN

To achieve greater visibility of your network in preparation for your next busy period, you'll need to **take a detailed look at the tools, processes and partners your business relies on.**

Here are some quick steps to get you started:

1

Make a list of  
your top five  
revenue-generating  
products



Break out each  
product by its  
components



List the suppliers  
(and their suppliers,  
if applicable) for  
each component,  
all the way down  
to the necessary  
raw materials

4

Write down specific  
information about  
each supplier, such  
as primary and  
alternate site locations,  
available inventory  
and typical  
production time

While mapping your supply chain may seem time-intensive, its value is well worth the associated costs! **A detailed map can help you inspect your network for any gaps or potential issues that could arise in the future,** so you can prepare for them ahead of time — while you have the time!

**Download our tip sheet to learn  
how you can utilize technology for  
greater supply chain visibility.**





## STEP TWO

# Gather Your Logistics Data

**Before you can start evaluating the effectiveness of your peak season strategy, you first need to collect as much relevant data as you can about your small package logistics.**

### WHAT DATA WILL YOU NEED?

To begin analyzing your shipping strategy and internal processes, **you'll first need to gather your logistics data.** This could include only the data from your peak shipping months, or (if you'd like a more in-depth look at your year-round strategy) data from the entire year.

Depending on the scope of your analysis (and your access to relevant data), we recommend gathering:

#### Shipping invoices

Your shipping invoices will outline the final cost of each shipment, as well as any additional charges — like accessorial fees for value-add services — that you incurred.



Unishippers customers have access to [three comprehensive invoice types](#) to ensure you get the right amount of information about each of your shipments.

#### Historical shipping data

Depending on your logistics processes — and if you use a transportation management system (TMS) — you may be able to access additional shipping information and reports beyond what's available on your invoices.



Unishippers customers get free access to our [proprietary TMS](#), allowing you to easily view your shipping data (and run helpful reports) without going through the time-consuming process of consolidating and standardizing it.

#### Hard costs

For the most accurate picture of your transportation spending (and associated profit margins), make sure to note any additional shipping costs you incur — such as the price of materials, packaging and shipping insurance.

### WHERE IS YOUR DATA COMING FROM?

Without accurate data, it's impossible to make accurate conclusions about your transportation processes. That's why it's important to consider the quality and accuracy of the data you collect! **If the data is provided by a third party, consider how you can audit it to ensure accuracy.**



## STEP THREE

# Review Your Profit Margins

**Now that you've gathered all the relevant raw shipping data, it's time to generate meaningful insights about your shipping costs — and how those costs are affecting your bottom line during peak season!**

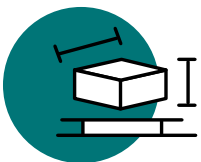
### ANALYZE YOUR TRANSPORTATION DATA

Collecting your company's transportation data is just the start! Evaluating key performance indicators (KPIs), such as the average cost per shipment during your busy period, can help you **see how your shipping strategy is impacting your profit margins and establish a baseline for future shipping costs.**

If you have the time (and the data), it could be helpful to **compare your peak season shipping costs against your average costs for the rest of the year.** You may learn that your company needs to establish two separate baselines, which can help you when forecasting shipping costs for the coming year.

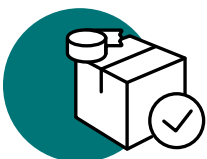
### REVIEW FACTORS THAT AFFECT SHIPPING COSTS

While determining your average cost per shipment is a great first step, there's still much more you can learn about your peak season shipping costs! We recommend reviewing the most common factors that impact shipping costs, so you can **ensure you're getting the best small package rates possible** (during your busy period and beyond):



#### Package weight and size

The weight and dimensions of your small package shipments can have a major impact on your final shipping rates! In general, the larger and heavier your shipment, the higher the cost will be to ship it. It's also important to note that most carriers have maximum weight and size limitations — and if your package exceeds these restrictions, it could be refused or incur additional charges upon delivery. [Learn more about how package size and weight affect your final shipping cost.](#)



#### Packaging materials

Purchasing supplies for your shipments — such as boxes, cushioning materials, packing tape and label sleeves — shouldn't be left out of the equation when determining your typical shipping costs! While it might be tempting to cut corners on packing materials, it's important to know that you could actually cost yourself more money in the long run. Poor quality or used packaging materials increase the risk of damage in transit.





### Added service charges and fees

Carriers charge fees for additional services not included in standard shipping rates (often called “accessorial fees”). By learning which of these charges your business has historically incurred, you can budget appropriately for any additional shipping expenses (and maybe even avoid certain charges). [Learn more about common small package shipping fees.](#)



### Delivery speed

When booking your shipments, which delivery speed do you typically choose? From next day air all the way to standard ground shipping, you’ve got plenty of options. But the faster your package needs to be delivered, the more it’s going to cost you — which is why it’s important to thoughtfully select your delivery speed based on both your budget and your customers’ requirements! [Learn more about your small package delivery options through UPS.](#)



### Sweat equity

Whether your business has a dedicated shipping manager or you take on that role yourself, managing your shipping logistics takes time — and time is money! From fulfilling orders and planning pickups to managing returns and customer inquiries, there’s a lot that goes into managing your shipping processes. Consider which processes currently take the most time from your day and how you can make them more efficient. [Learn how a third-party logistics \(3PL\) provider can help simplify your shipping processes.](#)



Looking for another way to simplify your shipping processes in order to save time (and money) on staffing? Make sure to review the technology tools and integrations your business utilizes — there are likely ways technology can help you cut costs without cutting corners! [Talk with one of Unishippers’ expert consultants](#) to get tips for simplifying your shipping processes with helpful online tools.



## CONSIDER YOUR SHIPPING COST STRUCTURE

After analyzing your average shipping costs, you may learn that your profit margins are suffering due to unanticipated fees. **Once you've taken the time to optimize your strategy and lower costs where possible, it may be time to review your shipping cost structure** and consider making a change. From flat rate shipping to displaying live carrier rates, there are plenty of options to choose from. [Download The SMB's Guide to E-Commerce Shipping](#) to learn more about selecting a shipping method that works for your customers AND your bottom line.



### Another way to save on shipping rates

Unishippers — part of the nation's largest non-retail UPS® Authorized Reseller in the U.S. — leverages the combined shipping volume of our 121,000+ customers to get you great rates on your small package shipping. **And with discounted rates available specifically for lightweight, residential B2C parcels, e-commerce shippers like you can save even more on the shipping services your business needs — including up to...**

**78% off**  
**UPS® Ground shipments**

& up to

**73% off**  
**UPS 2<sup>nd</sup> Day Air® service\***

\*Discounts off UPS daily rates. Rates are limited to shipping from the U.S. only. Rates and any applicable discounts are subject to change at any time without notice.



## STEP FOUR

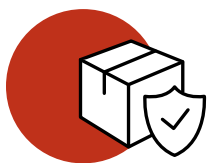
# Evaluate Claims & Disputes

**While often overlooked, examining your company's history of shipping claims and disputes is an important step in evaluating the effectiveness of your shipping strategy during peak season.**

### HOW MUCH ARE CLAIMS COSTING YOU?

While loss, theft and damage are occasionally unavoidable (especially during the holiday season when carriers are busier and packages are handled more in transit), there are still steps you can take to protect your shipments in transit. **By reviewing the average number of claims you file during your busy season (and beyond) you can truly learn how much claims are costing you.**

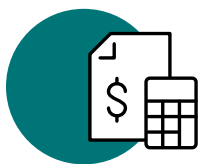
If you find you're spending too much on lost or damaged shipments, it's time to make adjustments to your shipping strategy! Consider these tips for limiting costly claims:



#### Package to protect

Damage, delay and additional fees (not to mention cranky customers) are all common results of improper packaging — and that's the last thing you need during your busy season! By choosing the right shipping materials, packing appropriately and clearly labeling your shipments, you can give your packages the best chance at a safe delivery.

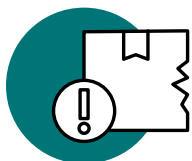
[Learn how to package your shipments the right way.](#)



#### Invest in shipping insurance

While it's a common misconception that shipments are automatically insured by the carrier through their limits of liability, carrier liability may not actually protect the full value of your lost or damaged shipments. That's why we recommend opting for additional insurance for your important and high-value shipments.

[Learn more about how you can benefit from shipping insurance.](#)



#### File claims the right way

Unfortunately, sometimes shipments get lost in transit or arrive damaged — even with proper preparation. When you do need to file a claim, carefully follow the carrier's instructions in order to have the best chance of a positive resolution.

[Download our Roadmap to Small Package Claim Success to learn more.](#)



## ARE YOU REVIEWING YOUR SHIPPING CHARGES?

By regularly reviewing your shipping charges, you can **examine your company's billing accuracy and identify any discrepancies between your initial quotes and the final bill.** This can often get overlooked when SMB shippers are busy getting packages out the door, but by reviewing your shipping charges (even after the fact), you can get a much better idea of the accuracy of your peak season shipping estimates.

If your final bill is consistently higher than your initial quote (leading to inaccurate budgets and forecasting), it might be time to review your quoting processes! On the other hand, **if you review your shipping charges and find additional costs that are not valid, you can file a dispute with the carrier** and recoup the funds. [Download our checklist for small package shipping disputes to learn more.](#)



## How a 3PL can help

For many SMBs, the process of filing a claim or dispute can be overwhelming. That's why businesses like yours often choose to work with a 3PL company like Unishippers, who can walk you through the process and even advocate with the carrier on your behalf.



## STEP FIVE

# Track Your Peak Shipping Times

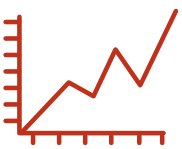
**When it comes to preparing for your peak shipping months, you need to look to the past in order to prepare for the future!**

### LET HISTORY BE YOUR GUIDE

For most businesses, peaks and valleys are part of the natural cycle of supply and demand — very few industries rely on consistent shipping volumes week after week, or even month after month. However, **identifying general trends in your company's shipping volume can help you plan and prepare more efficiently for your next busy season** — and ensure you have the staffing, inventory and other shipping resources necessary to meet customer expectations.

### ANALYZING PEAK SHIPPING TIMES

If you have the data available, **we recommend tracking your order history by both month and year.** This will not only highlight your busiest (and slowest) months of the year, but also show you yearly trends to ensure you're headed in the right direction. If you have access to at least two years of data, you can get a fairly clear picture of what time of year your orders ramp up — and when you can expect them to slow down again. If you're a new business (or have access to less than one year of shipping history), we recommend referencing industry standards for similarly sized businesses and offerings to help you plan ahead for your peak season.



Of course, unforeseen circumstances such as supply chain disruptions or changes in the global economy can cause fluctuations in product demand. While understanding your typical peak shipping months can help you plan ahead, **having some flexibility built in to your shipping plan can help you weather unexpected spikes or dips in orders more effectively.**





## STEP SIX

# Analyze Returns

**You're not done yet! Don't close the book on your peak season until you've accounted for all potential returns.**

### ARE YOU FACTORING RETURNS INTO YOUR BUDGET?

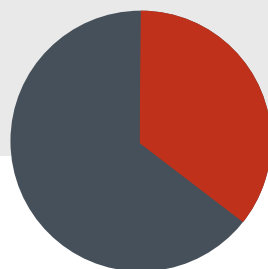
Returns are a fact of life for any business (especially e-commerce businesses!), so it's critical to factor them into your budget. And **since returns can lag several months behind peak season sales, it's important to wait a few months after orders subside before evaluating the data.** Once an appropriate amount of time has passed, you can then **evaluate the number of returns and your overall return rate in order to establish a baseline for your next busy season.**

### ANTICIPATING RETURNS FOR YOUR E-COMMERCE BUSINESS

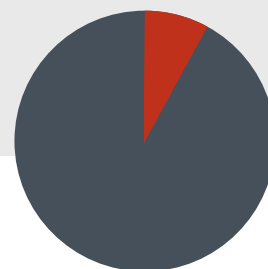
If you manage an e-commerce business, tracking returns is especially crucial to your bottom line. As the pandemic continues to impact shopping behaviors, experts expect more online purchases (and likely even more returns) in the coming years. In fact, **73% of consumers say they shop online more now than they did pre-pandemic** — and 88% of consumers say they'll continue to shop online post-pandemic.<sup>3</sup> Make sure you're prepared for this increase in online orders (especially during the busy holiday season) by continually optimizing your returns strategy!



Up to **30% of all online purchases are returned**, compared to **9% of in-store purchases**<sup>4</sup>



Online Purchases



In-store Purchases

3. TOP Data (2020). TOP Data E-Commerce Behavior Report.

4. The National Retail Federation (2021). Customer Returns in the Retail Industry.





## TAKE STEPS TO REDUCE RETURNED PURCHASES

Establishing a baseline for returns is an important first step, but **are you doing enough to reduce (or at the very least maintain) your return rate going forward?** If not, you may notice it creeping up each year, causing significant implications to your bottom line. Consider these tips for reducing returns:



### Ask for customer feedback

Make sure to always ask your customers the reason for their return. You can make the feedback process simple by creating a quick survey that pops up when a customer initiates a return online. We suggest including checkboxes with common return reasonings — such as items returned due to damage, poor quality, issues with delivery, etc. — to streamline the feedback you receive.



### Look for common trends

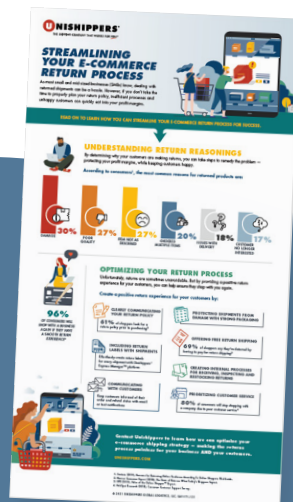
Once you start tracking the reasons for customer returns, you can analyze the data and look for any significant trends. For example, you may consider discontinuing items with high return rates, or changing item descriptions on your website to ensure your customers are fully aware of the product they will receive.



### Limit your returns time frame

If you notice returns flowing in well after a product was purchased, you may consider shortening the time frame for returns — such as 30 days after a shipment is delivered. Just make sure to clearly communicate your updated return policy to your customers!

**For more help streamlining and optimizing your company's return process, [check out our helpful infographic.](#)**





# Supercharge Your Shipping Strategy With Unishippers

A more efficient shipping strategy is within your reach!  
Let Unishippers help you gain more learnings from your busy season and optimize your strategy for the coming year.

**Contact us to get a free analysis from  
our team of shipping experts.**

**[unishippers.com](https://unishippers.com)**



Authorized  
Reseller

UPS, the UPS brandmark and the color Brown are property of the United Parcel Service of America, Inc. All rights reserved.

© 2021 Unishippers Global Logistics, LLC. U41185.1221