

# Average Shipping Costs - Everything You Need to Know!



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## Introduction

Are you still wondering how to identify the cost of your shipment? Then it's time to figure out the average cost of your shipment! It is always exciting to know the price of your shipment before you pay for it. In this guide, I will guide you through the whole shipping process and how you will calculate the average shipping cost. It

has been estimated that [74%](#) of online shoppers preferred free shipping at the time of checkout. [94%](#) of online shoppers qualify for free shipping and preferred free shipping.

**Let's first understand -**

What is the average shipping cost?



[Source](#)

The average shipping cost is the cost that you can calculate by analyzing some shipping factors. For calculating the average shipping cost, the important factors include the type of product, weight dimensions of your product, customer location, product handling, time, and cost. After analyzing all such things, you will be able to calculate the average cost of your shipping.

Why is it important to calculate the average shipping cost?



[Source](#)

Knowing the average cost of your shipment, you will be able to keep yourself prepared with the total cost in your hand. Nowadays, shipping companies are also getting involved in adding a cart system to their online portal to ease customers to get an idea of the shipping cost. This involves the backend process and the need to set shipping rates for each product and shipping zones. This will help gain customers' trust and build a positive relationship that will drive massive sales.

Keeping the cost of your shipping transparent will increase the chances of building brand loyalty. To lower the rate of cart abandonment, you can offer different shipping options at diverse price points. This will provide a personalized experience to your customers and will help them make the right decision.

Here are some [statistics](#) to support this statement -

- 45% of shoppers abandoned a cart when the order value didn't qualify for free shipping.
- 52% of consumers have added items to their cart to keep them to qualify for free shipping.
- 56% of shoppers decided to pay for shipping when their order's total cost was still a good bargain with shipping charges.

## Why you always want a specific assessment

There are many reasons for which you will need a specific and detailed evaluation for the shipping. When you know the price of the items or goods you are selling, then the customer should also know all these costs. This will help you to manage and maintain your profits at the company. You can increase your sales by providing the correct cost estimation to your valuable customers.

If you offer a transparent online shopping experience to your customers, it will decrease your shopping cart abandonment rate. You can not mention the accurate estimated cost without calculating the overall shipping cost. Launching your new e-commerce store will need to ensure that you should get the right estimates. This will increase your cost. You can also use some of the best tools for getting an approximate idea of the profit margins that will permit you to manage the competitive pricing rates.

## Factors to consider for shipping cost

- **Type of your order**

First and foremost, it is vital to know what types of items you will sell in the product line. For that reason, you should first analyze how much the overall product will cost and what will be the weight of each product like whether it will be heavy or lightweight. How much you are going to pay for the shipping and what

is the average order value. Having answers to all such questions, you will be able to charge your customers wisely. Offering the flat rate shipping cost will encourage customers to buy multiple products and this way, you can get huge profits.

- **Don't forget the competition**

The competition among companies is increasing day by day, and this is why you need to focus on the competition factor. If you will not pay attention to the increasing competition in the market, then you may face huge losses in your business. For example, if you are selling some kind of jewelry that has not much competition rate in the market, then its shipping rate or cost will not bother you. But if you are selling something with a huge competition rate like mobile phones, you will have to keep an eye on competitors' offering and shipping rates. Just monitor your competitors' product prices and stay above in the market.

- **Destination of the shipment**

Before you get involved deeply in the shipping process, how about knowing everything related to your valuable customer. The information you need to know about the customer is whether they are from the same country, international, or live in the city or any rural areas. Are these customers your one-time or lifetime customers? Finding out every available information about the customer and their habits will help you know the overall shipping cost.

## How to determine the cost of shipping

- **Product Packaging**



[Source](#)

The cost of packaging depends on the type of product you will pack inside the package. The product may be a large item or a small one, or it may be a fragile item. Small or padded envelopes will cost you around \$0.25 whereas the big boxes will cost you approximately \$0.75 to \$5.00. The price may vary depending on the city and type of products.

- **Postage Calculation**

You can easily calculate the cost of postage by using shipping calculators. The different available shipping calculators are eBay shipping calculator, FedEx shipping rate tools, UPS calculate cost and time, and USPS postage price calculator. The pricing rates may differ based on your carrier, in that case, you should visit the official website of the company for getting more accurate calculations.

- **Calculating Handling**



[Source](#)

Managing the employees and analyzing how much time they are taking to manage and handle shipping is vital. Time is valuable for both you and your customer. For the need of calculating the handling, you will need to find out how much time it will take to manage the delivery of the product. Go for setting a minimum amount that you might be paying to your employee based on hours. Calculating these rates, you will be able to identify the cost of opportunity.

- **Calculated Shipping Cost**



[Source](#)

With the help of the calculated shipping cost, you can find out the overall shipping cost. For that, you will need to measure the dimension and weight of your package.

You can calculate the shipping charge based on customers' location and these basic measurements. It is important to calculate the shipping cost because it will give your customer an average shipping quote of the product they will buy.

- **Flat-Rate Shipping**



[Source](#)

In flat-rate shipping, you can charge the same pricing for shipping no matter what their shape or size, or weight is. The only point where the pricing may become more or less depends on which country your shipment is going. With flat-rate shipping, customers can benefit from paying the shipping fee only once and buy as many products as they want to in that order.

- **Free Shipping**



# FREE SHIPPING



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## Source

At times retailers offer free shipping to their customers for a valid reason. Customers get attracted by the free shipping option and this can be a great way for retailers to boost their sales. If you are a retailer then for offering free shipping to your customers, you may have added the shipping fees in the product fees itself. It depends on you how you want to woo your customers and gain their attention on your website.

## Final Words

In this article, we have covered everything that you need to know about the average shipping cost. Finding out the average shipping cost is beneficial for your business in many ways. One major advantage of this process is that it gives you a way to offer low-cost products and the best shipping rates that gives your business a competitive edge. All these help in generating more and more business and will help to build huge customer loyalty.