stripe

Running an online business in addition to your physical store



Introduction

If your business has traditionally served most customers in person, you may be considering (or have already started) an e-commerce business to supplement your physical storefront. We want to help you navigate the nuances of running an online business.

Stripe has experience working with millions of businesses as they shift to serving their customers online—and we work with many software platforms that make it easy to run an online business. In this guide, we share a collection of best practices and recommendations for successfully running an online business, from a few of the e-commerce and shipping platforms that partner with Stripe.

Including insights from our partners







How do you create your first online store?

Building an online store from scratch is a major project. Fortunately, e-commerce platforms are inexpensive and easy to set up, require no coding from you, and provide your customers with high-quality online experiences similar to the ones they get at the largest online-first retailers. They are, by far, the best, quickest, most reliable way to boot up an online presence. These solutions can help you open up alternative revenue streams and easily reach new or existing customers online.

Here are some of our most popular platform partners that can help you move online quickly without any code required. You can also search for a specific solution that fits your needs in our partner directory.

Key differences between running online and offline businesses

We've teamed up with experts from our e-commerce and shipping partners to provide more details on key areas where you'll need to focus your time and energy as you ramp up your online efforts. There are four topics we'll look at in detail:

- Optimizing product pages: Unlike your physical store where customers have a tactile experience with your products, products in your online store must evoke the same emotions, but in a virtual setting.

- Reaching customers online: Neighborhood foot traffic, local newspapers, and word-of-mouth may have helped you attract customers to your physical storefront. To reach customers with your online presence, you'll have to consider how to maximize traffic to your site.
- Accepting payments online: With an online store, you'll need to take friction out of your customers' checkout experience while balancing fraud prevention and your approval rates from banking partners. As you begin to manage both an e-commerce and a physical store, think about how to unify your online and in-store payments so you can streamline operations and improve your reporting. Learn how machine learning and intelligent optimizations can give you a competitive advantage.
- Shipping your products: A surprisingly great shipping experience completes your customers' online shopping experience. Learn best practices for shipping policies and what you'll need to consider as you grow your online business, ship orders, and more.

Optimizing product pages

Write stellar product descriptions

You've undertaken a great deal of effort to source the right products for your store by going to tradeshows, speaking with suppliers, and testing the products yourself. Your product pages are your real estate where you can share why you believe these products are worth presenting to your shoppers. As you write your product page copy, connect your products back to why your business exists, how your product categories support your mission, and why you've selected the products you carry in each category. Our partner, WooCommerce shared these additional tips:

> WooCommerce: The key to a great product page is to tell a story, as product pages are where you invite customers to buy. Also, more tactically, if your products come in multiple sizes, providing measurements and size guides are key to ensuring the right fit, removing doubts about the purchase decision, and decreasing the chance of returns.

Add context with visuals

In your physical store, customers are able to have a tactile experience with your products which can evoke emotional connections and encourage them to buy. Your product pages should contain visuals of your product or lifestyle images of people using your products to show what the product looks like and to evoke the same emotional connection, albeit virtually.

Display product recommendations to shoppers

In your physical store, you may group similar items together in the same space to make it more convenient for shoppers to browse and to increase their overall cart value with adjacent products.

With an online store, you can use product recommendations to create a similar shopping experience that boosts average order value.

> WooCommerce: The main focus of your product page should be the features of the product itself, so deciding to display alternate product recommendations will depend on the product being promoted. Relevancy is key and a clear call to action will be important. When you are looking to promote a product, a customer needs to understand how this product is connected to the product they are currently looking at; does it increase functionality? Is it required? If it causes confusion in any way, you may lose the sale.

Create cart abandonment campaigns

Customers who browse your physical store but don't make purchases are reminded of the products they left behind every time they pass your storefront. For some of these shoppers, either need or impulse may bring them back into your store to complete the purchase. With an online store, you can create similar experiences to help shoppers reconsider their virtual shopping carts with cart abandonment campaigns.

Here's what our partner suggests when it comes to creating these email campaigns.

> WooCommerce: The tried and tested approach to bring back customers who don't complete a purchase on your site is to use some form of abandoned cart marketing. This is most often done in two ways - either through retargeting via paid ads, or sending an abandoned cart email. You can use either of these to remind potential customers to return to your site to complete their transaction.
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> The advantage of an abandoned cart email over retargeting ads is that you can include an incentive within the email to try help close the sale if you want or you can send a sequence of three emails over a set period of time and include different content in each email related to the product. A typical abandoned cart email allows you to show exactly what they had in their cart, along with images and pricing. You can also include a link to your contact page if the customer has any pre-sales questions or even include positive reviews from other customers about the product they were planning on purchasing.

Consider a clearance section for value shoppers

You may already have a pricing strategy to appeal to price-sensitive shoppers or to manage slow-moving inventory in your physical store. Consider how you can formulate an online pricing strategy that complements this practice in your physical store and be aware of some of the pitfalls.

> WooCommerce: The most critical thing to decide with a sale is who you want to entice which then in turn informs what you offer and how you go about marketing the sale or clearance. Sales can be used to drive more purchases from your existing customer base

(who you could target with emails) or you could use them to try to attract new customers to start using your products via more traditional paid advertising methods.

Keep in mind how sales factor into your brand image and whether you want to be seen as a regular discounter or if discounts are something you do seldomly or maybe not at all. Done well, sales can drive a significant amount of revenue for your business, but if you overdo them, it can lead to customers questioning the overall value of your products relative to your competitors.

Reaching customers online: Getting started

With the basics covered around your online store and its product pages, it's time to start attracting new customers to your website. To reach customers with an online presence, you'll have to consider how to maximize traffic to your site.

Your loyal customers likely represent a large percentage of your existing revenue base. Whether or not you are able to service them at your storefront is likely the primary anchor for you in their minds. Put up an external sign (especially if your storefront is closed) and internal signage telling customers where to find you online. Depending on your region or clientele, it may be most natural to direct customers to a website, a QR code, or a search query on a popular platform.

Here's what our partner also had to say about reaching customers in an online world.

> WooCommerce: To best reach online customers, you need to start by capturing their attention. This has always been the case and the reason physical stores have often put so much time and attention into their storefronts and shop window displays. The best advice here is to really go back to basics and understand what makes your product unique and what value it adds to your customers' lives. You should be able to answer the question: how does our product make our customers' lives easier? Then find the best places to reach your target customers and tell them (through blog content) or show them (via channels like YouTube or Instagram) how your product solves their need in a way that makes your product unique from your competitors.

What else should businesses think about when it comes to reaching customers online?

Don't forget to leverage the data you already have (like customer phone numbers.) You may have WhatsApp numbers, phone numbers, etc. for your existing customers as a function of standard operations of your business. You should be respectful of your customers' time if they're not currently transacting with you, but consider sending them a courtesy heads-up about where to find you in the current operating environment. It is best to keep this sort of outreach minimal, though, to avoid spamming your customers.

Some businesses have even had success in using WhatsApp and similar messaging services as a virtual storefront: take orders via text, send the customer an invoice with embedded payment options, then arrange to get them the goods.

Here are some other tips from our partner when it comes to reaching and connecting with customers online.

> WooCommerce: Put yourself in your customers' shoes and get creative. Have ongoing conversations with your best customers to learn more about them. What are their passions and interests? Where do they hang out online? What other types of products do they buy? Understanding their behaviour more deeply will spark the best ideas. If they love chatting on online forums - get involved. If they love recommending products to others, an affiliate program could work well. Perhaps they use your product in unexpected ways that leads to a partnership with other brands. You won't know unless you take the time to find out.

Reaching your customers online: Tactics

Leverage social media

Many businesses have active social media accounts. If you do, wonderful: now is a great time to make use of it. If not, setting up a simple account is free and easy. Consider asking staff or family what platforms they would expect to find you on.

From there, you can post updates about your operations to it and broadly be present for the segment of customers who use social media and like your business. In addition to using social media yourself, you can encourage your customers to post about you, too. Presenting your goods in a way that makes them attractive for photographs or placing a thoughtful card in a delivery package that expresses gratitude for a customer's support and invites them to post about you can help drive awareness.

Here are some other tips from our partner on effectively leveraging social media.

> WooCommerce: One of the things to keep in mind with social media is that most people are not actually looking to buy something when they are using social media. Using social media purely as a sales tool often will not work out in your favor and can lead to negative results. However, social media does allow you to engage directly with your audience in ways most other traditional advertising channels can't. You should look to use social media as a way to talk with (not at) your target audience and existing customers. The best way to think about social media is as a two way conversation: if you find you are only ever pushing out content and not actually engaging with your audience via social media there is a high likelihood that your efforts are not actually having the intended impact.

User-generated content

Testimonials and reviews, whether they are from well-known names or from someone in your shoppers' social circles, can increase your customers' confidence and help convince them to try your products.

Send emails

If you have customers' email addresses, consider sending them an email explaining the current status of your physical operations and directing them to your online presence. Your customers may want to hear from you now more than ever; it has been widely reported that local businesses are suffering and some customers want to know how they can help. Ask for their continued patronage; consider asking for their help in "getting the word out" about you via social media, referring friends, etc. We have a full guide about effective email marketing for e-commerce websites as well.

Our partner has other tips for effective email marketing below.

> WooCommerce: The truth is that email is an integral part of most, if not all, successful e-commerce stores. From transactional emails to abandoned cart remarketing to celebrating milestones, email marketing allows you to build a relationship with your customers. Good e-commerce email marketing will help you build relationships with your customers by sending emails with useful information at relevant times. That means sending resources that are meaningful to your subscribers based on the stage of the buyer's journey they're in and not spamming their inbox.
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> As your email marketing strategies evolve and your store grows, you can also look to introduce email automation which is made up of pre-set workflows that can send specific emails according to actions or triggers customers take or do on your site. This is a great way to ensure your subscribers get personalized emails without you having to keep track of individual conversations.

Start blogging

> WooCommerce: For a new e-commerce business, there are two great approaches you can take. The first is to build trust by sharing your expertise within a specific field or industry. Being seen as an expert or thought leader will give customers confidence in the products you sell. Pick a niche that you really know well and own it. Avoid the shotgun approach. The second approach is to create content that aligns with what customers are searching for online.
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> Over time, you'll build a steady stream of free traffic from search engines that can drive sales. Research search queries that align with what you're selling. Think carefully about what sort of questions a customer would ask before purchasing your product. Are they looking

for reviews? Do they want to see price comparisons? Take these ideas, and figure out which related search queries are driving substantial search traffic. There are many online tools that can help you with this. Build your content around answering these questions, and providing any additional help the customer might need.

What do I need to know about online payments?

You've done everything right to get your shoppers to add products to their cart and start the checkout process. In an ideal experience, checkout with online payments would be seamless for customers who are who they say they are, have funds available, and have purchase intent. They should breeze through your checkout forms with a minimum number of fields. Your fraud tools would perfectly detect legitimate customers from fraudulent ones. The network, made up of the issuing (or cardholder's) bank and card schemes (such as Visa or Mastercard), would approve the transaction immediately.

However, there are many factors that impact online checkout conversion that can frustrate your customers, causing you to lose that particular sale and all future sales from that shopper. Global studies show that checkout cart abandonment rates have reached up to 76%. Of the transactions that make it through checkout, some will be fraudulent charges which can cost businesses up to 2% of their total revenue in lost inventory, foregone shipping costs, or disputes and associated fees. And finally, network acceptance for online transactions can be up to 10% lower than in-store transactions due to common occurrences like misformated addresses inputted by the shopper. All of these areas represent lost revenue for your business, but with a strategic approach to how you take payments, you can improve conversion, gain revenue, and combat fraud.

Checkout completion, fraud, and network acceptance are interdependent variables. If you change one, you will see an impact on the others. For example, if you shrink your checkout form to help as many shoppers get through it as possible, you may not be collecting critical information for your fraud tools or for the network to approve the transaction. Conversely, if you expand your checkout form, you're introducing more friction which will cause shoppers to drop-off. There is no one-size-fits-all approach to conversion and you'll need to create a strategy based on your customers and business goals.

Checkout completion

As you evaluate payments solutions, look for features that improve checkout completion like:

- Real-time card validation: Alert shoppers to typos, incorrect card numbers, expiry dates, or CVV codes in real time.
- Autofill support: All desktop and mobile browsers support payment card autofill, but 21% of businesses don't offer it.

- Numeric keypad entry: Over 50% of e-commerce traffic occurs on mobile devices where cart abandonment rates are almost 2x that of desktop. You can avoid frustrating your shoppers by automatically offering a numeric keypad for mobile checkout.
- Mobile wallets: Supporting Apple Pay or other mobile wallets can offer significant conversion uplift and remove friction from the checkout flow. *For example, Apple Pay is used by hundreds of millions around the world and is a simple and secure way for online shoppers to speed through checkout in apps and on the web.*
- Regional regulations: If you're operating in Europe, confirm if your payments platform supports a checkout form that dynamically changes to collect the correct information for Strong Customer Authentication.

Fraud prevention

Fraud costs businesses in two ways: the first is the cost of the fraud itself and the second is the cost of the chargeback associated with the fraudulent transaction. To learn more about fraud, visit our Guide to Online Fraud Trends and our Getting Started Guide to Fraud and Disputes. Look for payments platforms that offer fraud tools like Stripe Radar which uses machine-learning algorithms that adjust for your business and that are integrated directly into your payments solution for real-time optimizations.

Network acceptance

Finally, the top reasons why card and bank networks decline online transactions include insufficient funds, outdated or incorrect credentials, or suspicion of fraud from their risk models. The average lifespan of a credit card is only a couple of years, so chances are high that you'll eventually encounter a customer who inputs or has saved outdated credentials. Look for a payment platform that offers intelligent optimizations like:

- Automatic card account updates: Dynamically update with new card numbers and expiry dates for credible transactions.
- Dunning: Intelligently nudge customers based on their behaviors when actions are needed.
- Smart retry logic: Use signals across the card network to determine when to best retry a declined transaction
- This area is complex, but you can learn more about it in our Guide to Optimizing Authorization Rates.

Removing friction in your conversion funnel is about optimizing the small details that add up to significant increases to your revenue and margin. Make sure you're creating a checkout experience that's easy for your customers to get through, a fraud strategy that is dynamic and customized for your business type, and that even the non-visible, infrastructural parts of your payments experience are intelligently optimized.

Finally, shelter-in-place mandates will ease one day. However, your online store doesn't have to be a temporary part of your business. You can bring your two channels together into one technology stack to help you streamline operational processes, save time, and gain better insights for business decisions. Many e-commerce platforms offer POS options. You can also consider a pre-built app for Stripe Terminal which can unify your online and offline sales.

What do I need to know about shipping?

Shipping experiences are core to customer happiness in the retail experience. Many of our e-commerce customers use companies which specialize in e-commerce shipping and logistics to help them manage this process. You can also get started small by packing your own orders at your location and sending them, one at a time, via your local post office or carrier services, if they remain available in the present circumstances.

Some of our existing businesses work with these leading shipping platforms:

- Shippo (US, Canada, Australia, France, Germany, UK)
- ShipStation (US, Canada, United Kingdom, Australia)
- Lalamove (Singapore, Malaysia)
- Gogovan (Singapore)
- Ninjavan (Singapore, Malaysia, Indonesia)
- Grab (Singapore, Malaysia, Indonesia)
- Gojek (Indonesia)
- Shipper (Indonesia)
- Sendle (Australia)
- Delhivery (India)
- Dunzo (India)
- Swiggy (India)

Here's some additional insight on shipping from Stripe partners.

> **Shippo:** Shipping can be expensive, cumbersome, and even frustrating. But, you should absolutely not brush it off. Putting in the effort to get it right can have a major positive impact on your business. What many first-time business owners don't realize is just how impactful shipping is even before a customer makes a purchase. In fact, over 60% of consumers will choose between merchants based on shipping and over half abandon carts based on shipping options at checkout.

And it doesn't stop there. How well you handle shipping, tracking, and even returns can be the difference between whether a first-time buyer becomes a loyal customer. For example, customers are 3x more likely to purchase again following a positive return experience.

Ultimately, you need to think about how shipping impacts each stage of your customer journey from how you promote your shipping options, your checkout experience, post purchase follow-up, packaging and fulfillment, and even returns. Getting each of these pieces right means more sales, greater cart sizes, and happier, longer-term customers.

After your customer clicks buy, your business is still on the hook to deliver a great post-purchase experience or risk losing repeat customers. In fact, 47% of online shoppers have chosen not to order from a retailer again because of a lack of visibility into a package's delivery status. And, two out of three consumers will shop more with a retailer that offers a hassle-free returns policy.

From package tracking to affordable returns and delivery solutions, the post-purchase customer experience hinges on the shape of your shipping. Use shipping as an opportunity to surprise and impress customers.

- Understand how shipping rates are calculated, so that you can leverage the best rates and pass on those discounts to customers.
- Be clear in your communication around order fulfillment and delivery timing. Over communicate, when possible, and leverage automated emails to simplify this process for you.
- Look for special ways to surprise customers, like handwritten notes or branded packaging.
- Set a fair returns policy and make it visible to your customers.

ShipStation: Shipping can be expensive and complicated, but once you figure it out, it becomes routine. Exceptional shipping incentivizes cart conversion and also creates repeat customers. Offer only a few shipping options, such as a free or low-cost base option, a mid-tier priority option with a 3-5 day delivery timeframe, and an Express 1 or 2-day option for an additional fee. For the base shipping, use something affordable yet reliable such as USPS First Class Mail (for items under 16 oz) or Priority Mail (item over 16 oz). Media Mail is a great option for books, music, or movies. It is more affordable, yet it takes a few extra days to arrive.

Note that the USPS may open Media Mail parcels without a warrant to verify the contents are allowed. The priority option can use Priority Mail, First Class or UPS/FedEx Ground. Flag these orders to ship them out more quickly. Express shipments are your highest priority, flag them to ship out immediately using USPS Priority Express or UPS/FedEx one or two-day services.

E-commerce shipping costs are a major expense for any business selling online. There's no reason that your business should be held back by something as secondary as shipping. When you have to spend less time figuring out how to keep shipping costs low, you can spend more time growing your business. There are a few other things you can do to increase your margins and gain a competitive edge over your competition.

- **Use online shipping:** Using an online platform is the most immediate way you can save money on shipping. If you ship several parcels per week, the cost of shipping software can be offset simply through the money you save on postage.
- **Reduce shipping costs:** It may seem obvious, but reusing packaging is a great way to cut costs. At the end, consumer typically doesn't notice the difference between a scuff on the corner of the box coming from its final delivery
- **Shop around with multiple carriers:** Using multiple carriers gives you more leverage in negotiating your rates. If you ship predominantly with FedEx, consider shifting 10-30% of your shipping volume to UPS or USPS. Carriers negotiate lower rates with you to make your volume through them increase.

Packaging

ShipStation: Selecting the right packaging materials can help you save on unnecessary costs, as well as ensure that your products are delivered safely. Fragile items will likely need to be shipped in a standard cardboard box with protective padding, such as bubble wrap. If you are not shipping fragile items, however, there are more cost and space-efficient ways to ship. Poly mailers and bubble mailers are great options for shipping non-fragile items. They're affordable, easy to pack and ship, and available to customize.

Boxes can be bulky and require an assembly process. Poly mailers take up very little space, are easy to stack, and require no assembly—giving your team more time to actually get shipments out. If you're shipping a product that is semi-fragile or has sharp angles, such as a plastic case or jewelry, a bubble mailer is a great option. Bubble mailers are space-saving and cost-effective like poly mailers but include a layer of bubble wrap for padding. Whatever shipping materials you choose, buy them in bulk to get the lowest price per unit possible. Saving on packaging costs will help you offer more affordable shipping rates for your customers.

Shippo: If you're shipping with the U.S. Postal Service (USPS), a cost-effective option for small businesses, then the package weight and distance traveled typically have the most bearing on the final cost of a delivery. Contrary to popular belief, the box dimensions don't usually affect pricing except for in these instances:

If your package is small--about the size of a shoebox-- weighs 1-20 lbs., and every side measures 18 inches or less. Then, you'll qualify for USPS Cubic Pricing. This pricing takes the size of the box into account and can offer sellers some of the best discounts available. If

your package fits the bill, then it's worth the time trying to get your box as small as possible to get the best rate.

If your package weighs less than one pound (and heeds the max dimensions), ship with USPS First Class Package Service.

If your package weighs more than 20 pounds, then the box size doesn't really matter, as long as your box is smaller than one cubic foot in volume (which would then subject it to Dimensional Weight Pricing).

Tracking

Shippo: The best way to stay on top of packaging tracking is to use a service that will automatically send shipment notifications to customers via email, while giving you a dashboard where you can see the status of all of your shipments in one place. If you can, give some love to your shipment notification emails, since they're some of the most engaging moments that you'll have with your customers.

For example, e-commerce shipping confirmation emails are opened 1.5x on average. When you do send these emails, include a link to the order tracking page, since emails with tracking links have 2x the click rate than confirmation emails without them. And consider including your brand name in the subject line, since that has a 7% increase in unique open rates compared to emails without it.

ShipStation: An order's journey from the warehouse to a customer's doorstep can be stressful for the merchant and the customer. One of the main advantages larger marketplaces and retailers offer consumers is reliability. Knowing what to expect at checkout and knowing that if any issues arise for their product in transit, they will not be held liable for it. Tracking also helps win disputes with carriers or insurance providers over package loss or damage in transit. This is why marketplaces such as eBay require tracking for all orders. Luckily, most services provide tracking updates for parcels.

Tracking emails are the most commonly read emails that customers receive. If you are manually sending tracking emails to customers, it is possible that the tracking number won't hyperlink. This is one of the major advantages of using a shipping platform: If you send the shipping confirmation email from a shipping platform, customers can simply click on the tracking number and view the tracking page on the carrier's website.

Watch out for hidden costs

ShipStation: Choosing to sell internationally can be a great opportunity to widen your customer base. However many countries have different regulations in place regarding the importation, exportation, and distribution of goods.

Doing your research on which countries you choose to cater to and their individual rules will prevent any future headaches and angry customers who can't access their packages. Customs, depending on the country, will be applicable and will require you as a store owner to take care of business. Selling internationally comes with its own set of issues and, you guessed it, paperwork. Countries will also have their own rules set for restricted items.

The biggest barrier to selling internationally is the high shipping rates. If you're selling physical goods, you'll need a great international shipping plan. Luckily, solutions such as ShipStation are able to compare international shipping rates across carriers.

Explore shipping rates to different countries to which you want to expand based on the size and weight of products you typically sell. Heavier products will always be more costly. Want to cut costs without cutting corners? Some shipping companies, like FedEx, will provide free packages and estimates of the size and weight of each product that can fit in the package.

Shippo: One hidden cost of an inexperienced shipper is simply time spent fulfilling orders. The sooner you can automate much of your shipping process, the better. Here are a few time-saving techniques that smart businesses employ:

- Schedule carrier pickups. Don't spend your time waiting in line at the Post Office. Let your carrier know you have packages to be delivered and let them come to you.
- Batch print labels. Instead of printing labels one by one, organize your orders by certain characteristics and print them in batch. In Shippo, for example, you can start by filtering for orders that weigh less than one pound. Then, select all and choose a USPS First Class Package Service (FCPS) label—since FCPS is a cost-effective option for lightweight packages—for each of them with one click.
- Use CSV mapping. Many of our businesses use our CSV upload feature to import orders. One way they can expedite the import process is to use CSV mapping, which matches the appropriate fields for proper upload. Instead of having to rearrange the columns every time, Shippo can remember their order for future lists.

Be up front with your shipping policies

Shippo: While there is no perfect rate of returns, a return policy is one of the many levers available to businesses to increase customer loyalty and, ultimately, drive revenue long-term.

It may come as a surprise, but successful business owners don't shy away from a higher rate of returns. For example, if you shifted over to "free returns" from a "customer-pays-for-shipping" model, your return volume and costs will almost certainly have gone up. However, if you promoted and executed these changes well, you hopefully have seen an increase in

conversion rates (and thus, overall order volume) and maybe, even more, repeat purchasing.

ShipStation: Returns are an inevitable part of running an e-commerce business. Understanding what consumers expect from the returns process is becoming increasingly important for the health and growth of your brand. A robust returns strategy is key for encouraging consumers to purchase from you. According to a recent ShipStation study, 2 out of 3 consumers consider a brand's return policy when purchasing online.

When you have a customer-friendly return policy, you are successfully building brand trust—a key ingredient for closing the sale and growing your business. You are more likely to retain the customer by providing a superior return experience. You can include a prepaid, printed return label inside the package of your outgoing shipment, but many of those labels will be unused– wasting paper, ink, time, and money.

Instead of creating return labels in advance or handling it yourself, save time and automate returns according to your returns policy. Your customers can select items they want to return, enter return reasons, and print the return label. Creating easy returns through your site brings you one step closer to getting more sales and conversions.

Should I offer free shipping?

ShipStation: Consumers prefer free shipping, largely choosing a free or the cheapest, slower shipping option over a more costly express option. Of course, you have to protect your profit margins, and unless you sell bumper stickers or patches, there's not a sufficient way to completely eat the shipping cost.

Typically, free shipping is offered in one of two ways. Either by injecting the shipping costs into the item price or by offering free shipping at financially beneficial thresholds, such as $50, $75, or $100. There are advantages and disadvantages to each. While free shipping is preferred, you risk cart abandonment if your products cost substantially more than your competitors' products.

Additionally, free shipping with a threshold can cause disengagement if a customer is only interested in buying a single item that doesn't meet the threshold. Typically lightweight items under $10 work best for injecting the shipping cost into the item price.

While most merchants will adjust the price to account for shipping when offering free shipping over a threshold, it works best when your popular item's price is within about 30% of the free shipping threshold. Whichever method works best for you, remember that charging for shipping should be a flat rate. Customers can be discouraged when the in-cart total is higher than they're expecting. Avoiding surprises is the best way to avoid cart abandonment.

Shippo: A whopping nine out of 10 people said free shipping was the number one incentive when asked what would make them shop online more often. While free shipping has become table stakes in some industries, it's important to be strategic about when and how you offer it.

Take a look at your competitors. If everyone is offering free shipping, then you may need to follow suit so that you don't lose customers. The good news is that many industries have a mixed bag of shipping offerings, which allows you to get creative, so that you can appease customers and still meet your bottom line. There are a few ways you can offer free shipping, so choose an option that won't break the bank and feels right for your business.

First, you can offer free shipping if a customer reaches a certain purchase value threshold. This is usually a number slightly higher than your average order value (AOV). Second, you can offer free shipping when a featured product is added to an order. This is a great option if you're looking to clear out old inventory (especially if that inventory is lightweight, which means the cost of shipping will be lower.)

We would love to help

WooCommerce and Stripe are here to help get your business up and running. You can find additional programs and resources to help your business adapt to the challenges of moving online.

