

The Ultimate Checklist To Cutting Shipping Costs

Reduce your shipping expenses, uncover inefficiencies to drive growth, and boost your bottom line with these proven cost-cutting strategies.

Checklist

☐ Choose the Right Size Packaging

Reevaluating your packaging is one of the fastest ways to cut shipping costs. Carriers charge based on both weight and dimensional weight, so eliminating excess space and accurately entering weight and dimensions can lead to significant savings. Plus, accurately choosing the right size packaging can help customers avoid some common [carrier price adjustments](#).

Action steps:

- ☐ Measure your products and select packaging with minimal empty space
- ☐ Consider custom packaging for high-volume items
- ☐ Switch to lighter packaging materials for items like clothing
- ☐ Enter accurate weight and dimensions to help avoid common carrier adjustments

☐ Explore Flat-Rate Shipping

Flat-rate options provide substantial savings compared to weight-based pricing and ensure that customers aren't surprised with extra fees once they've made their purchasing decision.

Action steps:

- ☐ Compare flat-rate vs. weight-based pricing for each shipment
- ☐ Stock flat-rate boxes and envelopes for qualifying items
- ☐ Consider USPS Priority Flat Rate or FedEx One Rate® options through ShipStation

☐ Use Multiple Carriers

Relying on a single carrier can put your shipping operation at risk. Using multiple carriers can offer better rates for different destinations, package sizes, and service levels.

ShipStation Feature: Automated Rate Shopping Tool

This powerful feature automatically compares rates across 200+ carriers and your negotiated rates to find the cheapest, fastest, and best overall value option for every shipment. No more manual rate comparison—let the system do the work for you.



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☐ Optimize Returns and Exchanges

A streamlined returns process reduces costs, boosts customer satisfaction, and recovers lost revenue through exchanges. Make it as easy as possible for customers to return (and exchange) items properly packaged and labeled.

ShipStation Feature: Customizable Returns and Hassle-Free Exchanges

Create branded return portals, generate prepaid return labels, and automate the entire returns process to reduce handling costs and processing time. Merchants can also access return analytics to address product issues and minimize total returns year over year.

Action steps:

- ☐ Implement a clear returns policy
- ☐ Set up a self-service portal on your website
- ☐ Provide prepaid return labels for qualifying returns

☐ Stay Up to Date on Changing Shipping Rates

[Carrier rates change](#) frequently throughout the year due to economic pressures, operational costs, and demand fluctuations. Staying informed helps you adjust pricing strategies and shipping methods accordingly.

ShipStation Feature: Automated Rate Shopping

ShipStation's rate shopping tool continuously monitors carrier rate changes and automatically selects the most cost-effective option, ensuring you're always getting the best available rates.

UPS on ShipStation: [Discounted Multi-Package Shipments](#)

When you ship multiple packages to the same address using UPS® Ground on ShipStation, you can access additional savings of up to 10% off.* Get additional discounts when you ship multiple packages to the same address using UPS® Ground, UPS 3 Day Select®, UPS 2nd Day Air®, UPS Next Day Air®, and UPS Next Day Air Saver® on ShipStation.

☐ Consider Local Pickup or Delivery

Sixty-seven percent of retailers say that the key to meeting customer expectations is by offering multiple delivery options, including locker pickup, in-store pickup, and carrier pickup.¹ Offering pickup or local delivery can also eliminate shipping costs entirely by avoiding carrier fees.

ShipStation Feature: Schedule a Pickup and Carrier Pickups

Merchants can coordinate pickups directly through ShipStation. Built-in features for local pickup and delivery eliminate trips to carrier locations and ensure reliable collection of your outbound shipments.



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☐ Offer Multiple Delivery Options

Give customers a choice in shipping speed and cost. **Sixty-nine percent** of consumers say they would switch brands if another retailer offered more convenient delivery.² Many customers will pay extra for faster delivery, while others prefer economy options.

ShipStation Feature: Checkout Rates

Display real-time shipping rates to your customers at checkout so they can choose their preferred delivery speed and cost. Merchants can configure three types of checkout rates: **Live Rates**, **Flat Rate**, and **Free**.

Action steps:

- ☐ Connect your store to ShipStation to integrate rate calculation at checkout
- ☐ Configure the rates you want your customers to see
- ☐ Consider free shipping thresholds to increase order values
- ☐ Track carrier spend and stay on top of costs with thorough analytics

☐ Identify An Ideal Inventory Location

If you ship from multiple locations, ship from the warehouses closest to your customers to minimize transit times and lower costs, resulting in faster delivery. You can take it a step further by optimizing warehouse organization or faster picking and packing. With an improved warehouse layout, mobile picking, and pick-to-tote, you can pick and pack faster, delight customers by meeting (and exceeding) their delivery expectations.

ShipStation Feature: Auto-Routing

Automatically route orders to the fulfillment location closest to the recipient, ensuring the most efficient shipment. Auto-Routing can also split the order into multiple shipments and assign the best 'Ship From location' to each shipment.

☐ Implement Zone Skipping

Carriers charge based on **zones traveled**—the more zones, the higher the rate. Zone skipping involves shipping to intermediate distribution centers to reduce the final delivery zone, particularly effective for high-volume shippers.

Action steps:

- ☐ Analyze shipping volume by destination zones
- ☐ Partner with last-mile carriers to enable doorstep delivery
- ☐ Partner with a regional distribution center or 3PL near your target delivery zones



Checklist

☐ Utilize Address Validation Tools

Did your customer input the wrong zip code? Address validation tools ensure that incorrect addresses get flagged immediately to avoid delivery delays, returned packages, and additional fees.

ShipStation Feature: Address Validation

Automatically verify and correct addresses during order processing to prevent delivery failures, reduce returned shipments, and eliminate address correction fees.

Retailer and consumer delivery requirements

Retailers say the key to meeting customer expectations is by offering multiple delivery options.¹



Consumers say they would switch brands if another retailer offered more convenient delivery.²



Source: Retail Economics, Auctane 2025

Your Shipping Optimization Score

Total items completed: ____ / 10

Action steps:

- ☐ **8-10 items:** Excellent! You're maximizing your shipping cost savings.
- ☐ **5-7 items:** Good progress! Focus on the remaining gaps.
- ☐ **0-4 items:** Significant opportunity! Start with the easiest wins first.

Ready to implement these cost-saving strategies? Automate your shipping processes and reduce costs across your entire shipping operation with ShipStation.

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

Sources:

1. 2025 ShipStation Benchmark Report
2. 2025 ShipStation Breaking Benchmarks Report

