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Many retailers still use old shipping methods

A Kewill survey finds that many companies lack automated shipping management

Paul Demery
Managing Editor

Although retailers and other companies in a recent survey say they're handling increased shipping volumes this year, partly because of a rise in e-commerce sales, nearly 40% say they still spend one minute or more per parcel to enter order data into a shipping management system, according to a recent survey of 820 companies by Kewill, a provider of shipping management technology. Kewill did not break down how many of the companies were retailers.

"If an organization is shipping 500 parcels per day and spends an average of 60 seconds per parcel for manual data entry, they will require the equivalent of one full-time employee just to perform manual data entry," says Kewill, which recently surveyed companies including retailers, distributors and manufacturers.



Among the survey's other findings:

- 70% of shippers enter at least some of their [parcel-shipping](#) data manually into their shipping management systems. 21% manually enter all of their parcel shipping information, leaving less than 10% who use a completely automated system. Compared with a year earlier, the survey found only a slight increase in the number of shippers using a completely automated system.

- More than half of respondents, or 59.7%, say they use two or three carrier services. 18.3% said they use five or more; 14% three to four; and 8% only one. 25% say they have added a new parcel or freight service within the past year.
- 33% of respondents use blended postal shipping methods that combine the local delivery services of the U.S. Postal Service with the long-haul services of other companies such as FedEx Corp., UPS and Newgistics that deliver goods to U.S.P.S. facilities. Such blended methods are designed to provide an attractive mix of shipping time and relatively low shipping rates. 19% are considering such methods, while 48% are not considering them.
- Fewer than one third of respondents say they employ zone-skipping, which is a way to lower overall shipping costs by shipping in bulk to a warehouse within the delivery zone of the final destination. That typically results in lower final delivery rates.
- More than 40% of respondents say they don't use mode optimization, a shipping strategy that can save up to 25% of shipping costs, Kewill says. In mode optimization, a retailer that needs to ship an order to a customer within two days, for instance, would use shipping software to automatically determine the cheapest way to ship a particular order to a particular destination within two days. While some retailers would just forward all two-day shipments through two-day air-shipment services, others using mode optimization might find that an order—because of its particular size, weight and final destination—might be able to reach the customer within two days via relatively low cost standard ground shipping.
- Nearly 66% of respondents say they don't use freight/parcel optimization planning tools, and 60% don't use transportation optimization tools. Such software tools are designed to help retailers automatically figure whether they can get better shipping times and rates on order shipments by using a parcel carrier, a less-than-truckload freight carrier or a mixture of both.