



5 Ways to Save on Online Shipping Fees

By Kelli B. Grant
July 15, 2008

WITH GAS PRICES blowing past \$4 a gallon, fewer shoppers are heeding the call of a trip to the mall. In order to save some cash, they're turning to the Internet to get their shopping fix instead.

The problem is that many of those budget-conscious consumers aren't always saving that much money. Thanks to sluggish sales and higher fuel prices, many online retailers have been forced to boost shipping fees, a move that can significantly add to an order's final tally. Old Navy's "famous \$5 shipping," for example, quietly rose to \$7 in May when the retailer's web site merged with those of sister brands Banana Republic, **Gap** (GPS¹) and Piperlime. This month, **Staples** (SPLS²) increased its charge for orders under \$50 from \$7.95 to \$9.95.

Afraid of alienating fickle shoppers, many web retailers, however, still aggressively market free shipping offers with the hope of recouping the cost in other ways (say, fewer coupons). "History has shown that online shoppers will go to great lengths to avoid shipping charges," says Eric Karson, associate professor of marketing and business law at Philadelphia's Villanova University. According to a study conducted by technology market research firm, Forrester Research, 61% of online shoppers say a free-shipping offer would sway them to pick one retailer over another. Encountering unexpectedly exorbitant shipping at checkout, on the other hand, is enough to make 43% of shoppers abandon their virtual carts entirely, reports PayPal and comScore.

"There's a huge psychological impact from free shipping," agrees Dan de Grandpre, CEO of bargain-hunting site Dealnews.com³. "It's magic. It takes away, for most people, the biggest barrier to shopping online." That's why, despite the added expense for web retailers, free shipping remains the most popular online promotion. These days, however, shoppers should expect such promotions to come with a few added strings attached, such as higher order minimums or a requirement to pay with a store credit card.

Here are some of the best ways to avoid getting dinged by shipping fees while shopping online:

Crunch the numbers

To continue offering free shipping, some smaller retailers may pad item prices, warns Karson. Before you jump on a free shipping offer, use a price-hunting search engine like PriceGrabber.com⁴ or NexTag.com⁵ to find the cheapest total price from a reputable store, including taxes and shipping fees.

Hunt down free-shipping codes

Stores are increasingly forgoing standard free-shipping policies in favor of regular promotions. To get the best deal, in many cases, requires a promotion code. Two new web sites, FreeShipping.org⁶ and FreeShippingOn.com⁷, offer exclusive free shipping promotions and codes from more than 700 retailers each. Users can search by retailer name or by product category.

One thing to keep in mind is that major retailers often run more than a dozen promotions at one time, with different minimums and restrictions, so be sure to compare all of their current offers. **J.C. Penney** (JCP⁸), for example, currently offers one code (JCPCHOT) for free shipping on orders of \$99 or more, and another (BBFAM8E) for free shipping on orders of \$75 or more. Both expire July 31.

Check for minimum-order requirements

"Retailers still want to offer free shipping, but now they're requiring more," says Luke Knowles, founder of FreeShipping.org. Accessory retailer **Fossil** (FOSL⁹), he says, raised its minimum spending requirement for free shipping from \$40 to \$75. If your order balance is close to the limit (say, its \$70 in the case of Fossil) then you may want to consider buying a cheap filler item to snag the free shipping. **Amazon.com's** (AMZN¹⁰) Super Saver Shipping, which offers free ground shipping for orders of at least \$25 in qualifying items, is such a popular promotion that sites like Amazon Filler Item Finder¹¹ now exist to help people meet the minimum and save.

Use your store credit card

It's often the key to low, or even no minimum order requirements. Gap, for example, offers its silver-level cardholders free shipping on any order. Meanwhile, **Kohl's** (KSS¹²) also offers codes for free shipping, with no minimums to its

cardholders.

Become a member

Both Amazon and **Sears** (SHLD¹³) offer annual subscription memberships that come with free shipping — a cost that you can easily recoup if you order frequently enough or buy heavy items, says de Grandpre.

- **Sears ShipVantage:** For a \$79 annual fee, you get free ground shipping at Sears.com and Kmart.com, as well as upgrades to two-day and overnight shipping for \$0.99 and \$3.99, respectively. (In comparison, someone ordering a single large bookcase¹⁴ would pay \$90 in shipping costs.)
- **Amazon Prime:** For \$79 a year, you get free two-day shipping on every order, as well as upgrades to one-day shipping for \$3.99. The service is particularly useful if you use Amazon as your online grocer, de Grandpre says. (The megastore is routinely 20% cheaper than grocery stores¹⁵ on bulk packs of items like cereal and snacks.)

Also See:

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- What IndyMac's Meltdown Means for Consumers¹⁷
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¹⁴http://www.sears.com/shc/s/p_10153_12605_00899541000P

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