

To Offer Packing and Shipping or Not?

Hello, Fellow Auctioneers! As the auction industry continues to evolve around technology and all the tools it has to offer, do you find yourself asking if you should offer shipping? Shipping is a subject that many people would rather not talk about!

There are multiple shipping options available. Some auction companies may decide to take the items to a pack and ship place. This option often costs more for the buyers, and I have found that living in a rural community in outstate Minnesota, there aren't many pack and ship companies located nearby. We would need to drive sixty miles with the items to prepare for delivery. Another option is working alongside a shipping company. This type of service may offer a discounted rate with the major carriers. Occasionally we have a purchaser that wants us to utilize a shipping account that they already have in place. The buyer simply needs us to provide the dimensions and weight of the item they purchased so they can email a shipping label to us.

All options offer different types of challenges. Taking the items to a pack and ship place may require more than one trip, which can be burdensome if the drive is a distance. Working alongside another shipping company may be more cost effective; however, it still requires time, labor, and space for boxing and packing.

One of the frustrations about shipping is the packaging. You may feel that you have prepared a package to ship in such a way that the contents couldn't ever get damaged or broken. That is...until you get the dreaded phone call... "My package arrived today; it is in pieces." I have sometimes wondered if shipping companies play football with our packages. What are you going to do about it? This can be a tough decision to make. Should an insurance claim be filed with the shipping company, or should a refund be given back to the purchaser? In my experience, claims with shipping companies never seem to be paid out in a timely manner, if at all. Most liability falls back on the shipper. There is also worry about the buyer doing a chargeback on their credit card for both the shipping cost and the purchase, even though the terms of the auction clearly state that the purchaser is responsible for all shipping costs and will bear the burden of damages. Most purchasers will try to get their money back as quickly as possible.

Like most additions or changes within a business, there are obstacles to overcome. Learning what you need for shipping supplies such as boxes, tape, packing bubbles, or peanuts takes time to figure out. We also discovered that it takes a fair amount of space in our facility to take care of shipping items. A buyer may also become non-responsive after learning the cost to ship their purchase is greater than their bid price. How long of a shelf life do you give a purchaser to send payment for shipping?

Offering shipping may be a great asset to your auction company if you can find the balance and what works for your business. It will surely expand your market.

I hope each of you close out your auction year strong and I look forward to seeing you at the winter Conference and Show in Rochester this coming January!