

SHIPPING: PARCEL **VS** FREIGHT LTL

HOW TO MAXIMIZE YOUR SAVINGS



written by **BRIAN GIBBS**
President, Refund Retriever

Looking to save money when it comes to your shipping strategies?

One way to do this is to identify when to use parcel shipping versus freight LTL shipping. All too often, retailers don't realize the key differences between these two shipping options and spend unnecessary dollars.

PARCEL SHIPMENTS 101

Small parcel carriers like UPS, FedEx and DHL have set fees based on weight, delivery departure, location, characteristics of the shipment (such as if a signature is needed upon delivery) and more. Usually, parcel shipments weigh more than 71 pounds (per shipment, not per item) and can be shipped in carrier-supplied packaging or other standard packaging, such as a cardboard box. With carriers having both set rates and surcharges factored into their pricing strategies, it comes as no surprise that packages exceeding the small parcel weight and dimensional size limits incur excess fees.

In fact, UPS recently increased their Over Maximum Limits charge to \$500 from \$150—a 233.3% increase.

This excessive spike in shipping charges often goes unnoticed by retailers until they're charged for it.

FREIGHT LTL 101

While packages less than 70 pounds represent a small percent of parcel shipping, individual packages over 150 pounds, or exceed 108 inches in length represent freight LTL (less-than-truckload). All shipments between small parcel standards and freight standards fall into a 'gray' zone, leaving retailers to decide how they want to ship. This said, this blurry area doesn't have to be confusing if you understand the value that freight LTL delivers to shipments. Unlike small parcel, freight LTL has less risk when it comes to items being lost, damaged, or delayed due to a variety of factors. Most freight LTL shipments are shipped via secured pallets for easy loading, overall stability, and protection that retailers simply don't have when shipping via small parcel and thus, freight LTL has a strong reputation for delivering on-time and intact.

THE #1 REASON TO CHOOSE FREIGHT LTL VS. PARCEL FOR OVERSIZED SHIPMENTS

You guessed it—*price!* Using an LTL carrier can reduce your total cost to ship and save your businesses money on your parcel overhead. To help streamline your shipping operations, freight rating software should be introduced into your shipping management. The fundamentals of a freight rating shopping system, such as Freight Retriever, match retailers' shipping and freight characteristics to a carrier's service and price options—delivering clarity your shipment needs. [CP](#)



Brian Gibbs founded Refund Retriever in 2006 while running his first eBay based business and seeing the shortcomings of other shipment auditing companies. Refund Retriever's primary focus is FedEx and UPS parcel invoice auditing. After graduating from Texas A&M University in 2001, he then graduated from the University of Houston in 2004 with a JD and MBA. Gibbs has been featured in *Forbes*, *Entrepreneur* and other publications discussing parcel auditing, shipping, ecommerce and more. Learn more at www.refundretriever.com or call (800) 441-8085 for more information.

CREDIT