

# **How to Set Shipping Rates**

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**Consultant & Owner, PieceKeeper Games**

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## Session Overview

### Goals:

- 1) Provide piece of mind
- 2) Save you money



Who is this guy, anyways?



The costs to create a board game



High level considerations



A thorough process to set shipping rates



## Who is this guy, anyways?

- Game designer
- Game publisher
  - Owner, PieceKeeper Games
  - Operations Manager, Thunderworks Games

**THUNDERWORKS**  
GAMES



**PieceKeeper**  
GAMES





## Who is this guy, anyways?

- Game consulting
- Created pledge manager



70 projects

37 clients

\$7.9mm  
funds raised



## The costs to create a board game

- Time for a quiz!
- Rank cost categories from highest to lowest
- Assume 1k backers



Artwork



Fulfillment



Design



Manufacturing



Freight



Marketing



## The costs to create a board game

- Consider 4k backer campaign as comparison
- What categories (if any) change?



Artwork



Fulfillment



Design



Manufacturing



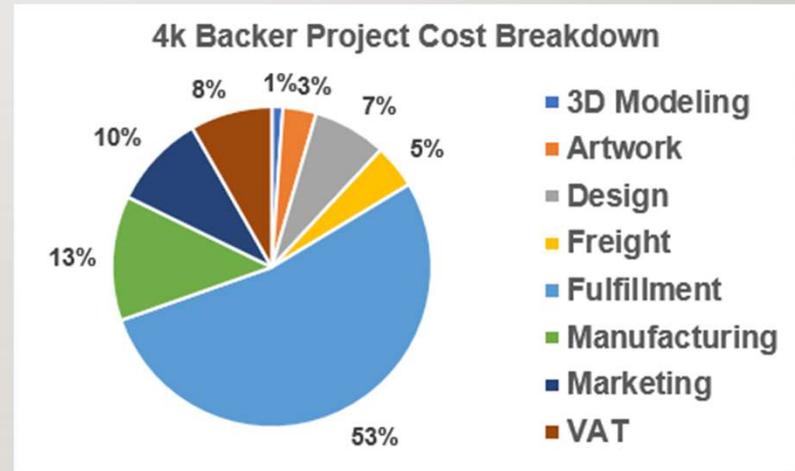
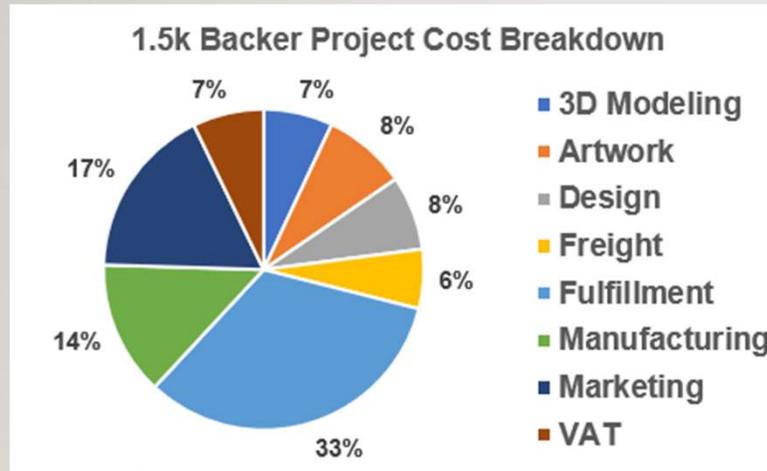
Freight



Marketing



## The costs to create a board game





## High level considerations

- Which statement do you most closely identify with?

1) I'm just going to fulfill my game from my house. I measured the weight of my prototype, looked on Pirate Ship for fulfillment rates, and will just use those costs.



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2) I think setting shipping rates seems pretty straight-forward. Another Kickstarter project I backed said they used [company] and everything seemed to go well. So I'll just email [company], provide them the weight of my prototype game, and ask for their shipping costs.



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2) I think setting shipping rates seems pretty straight-forward. Another Kickstarter project I backed said they used [company] and everything seemed to go well. So I'll just email [company], provide them the weight of my prototype game, and ask for their shipping costs.

3) I don't have the patience or interest to figure out accurate shipping costs. I'll just look at a few other Kickstarter campaigns that seem to have a similar size game, add some buffer to the shipping costs listed on those pages, and call it a day.



## High level considerations

- Which statement do you most closely identify with?

1) I'm just going to fulfill my game from my house. I measured the weight of my prototype, looked on Pirate Ship for fulfillment rates, and will just use those costs.

2) I think setting shipping rates seems pretty straight-forward. Another Kickstarter project I backed said they used [company] and everything seemed to go well. So I'll just email [company], provide them the weight of my prototype game, and ask for their shipping costs.

3) I don't have the patience or interest to figure out accurate shipping costs. I'll just look at a few other Kickstarter campaigns that seem to have a similar size game, add some buffer to the shipping costs listed on those pages, and call it a day.

4) I recognize the process of setting shipping rates has many variables and requires careful planning to avoid losing money.



## High level considerations



Simple reward options vs many reward options



Modest campaign vs explosive success



## A thorough process to set shipping rates

Determine product specifications



Estimate package dims



Request shipping rates



Determine shipping strategy



Decide which countries to ship to



*[Extra credit]*  
Set multi-unit shipping rates



Determine add-on strategy



Set shipping rates



Calculate all shipping costs



## A thorough process to set shipping rates

Determine  
product  
specifications

- Consider base game and all potential add-ons
- Strategies to estimate weight:
  - Have factory produce sample
  - Measure components from same factory with same specifications
  - Measure components from similar games and add buffer
- Add buffer to initial estimates (10-20%)



## A thorough process to set shipping rates

Estimate  
package dims

- “Assemble” products (*by spreadsheet!*) and determine full space needed
- Add 0.75 - 1" padding on each side
- Add ~1 lb for shipping box and fill material
- Roll up unique list of weight & dimensions





## A thorough process to set shipping rates

Request  
shipping rates

- At least 2 partners per region
- Ask good questions about costs
  - Dimensional weight
  - Fuel surcharges
  - Delivery surcharges
  - Pick/pack fees
  - Box fees (*if separate*)
  - Choose custom box
  - Fill material options and fees
  - Yearly cost increases
  - Outside 48 states (AK/HI/PR/APO)



## A thorough process to set shipping rates

Request  
shipping rates

- Don't assume costs from prior period are still correct
- Review costs against other factors
  - Turn-around time
  - Daily throughput
  - Simultaneous projects
  - Communication speed
  - Communication thoroughness
  - Online portal
  - Webstore integration
  - Board game experience
  - Regional proximity to backers



## A thorough process to set shipping rates

Determine  
shipping  
strategy

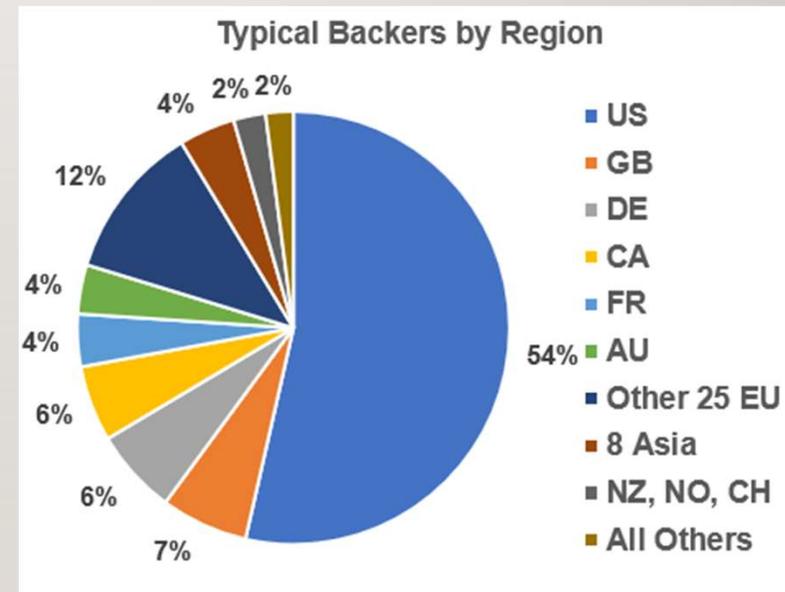
- How to handle VAT for UK / EU backers (3 options)
- Long-term inventory goals (replacements, webstore / distribution sales)
- Main strategies:
  - All from one hub
  - Some regional hubs (2-3 warehouses)
  - All regional hubs (6 warehouses)
- Small package considerations (under 4 lbs / 2 kg)



## A thorough process to set shipping rates

Decide which countries to ship to

- Top 6 countries: 80%+ of backers (US, UK, DE, CA, FR, AU)
- Adding full EU: 92% of backers
- Adding main Asia: 96% of backers
- Others countries to consider
  - Easy and larger: NZ, NO, CH
  - Others: ZA, IS, ID, IL, SA, AE, MX





## A thorough process to set shipping rates

Calculate all shipping costs

- a. Current shipping rate
- b. Current pick/pack fee
- c. Estimated surcharges
- d. Estimated increase for next year
- e. Estimated currency exchange
- f. Estimated US freight cost
- g. Freight adjust for other regions
- h. VAT compliance fees
- i. Pledge manager fees on shipping
- j. Pledge manager fees on VAT



## A thorough process to set shipping rates

Calculate all-in shipping costs

- Separate shipping rates for AK/HI/PR/APO?
- Blended cost for EU countries?
- Add buffer for all inputs



## A thorough process to set shipping rates

Set shipping rates

- Determine shipping subsidy (if any)
- Roll up countries into groups by cost (set groups >\$2 apart)

Country	Godling or Deity Pledge	Each Add'l Game <small>(max 2)</small>
US	\$10	+ \$5
CHINA, HONG KONG	\$10	+ \$5
CANADA, AUSTRALIA	\$20	+ \$10
UK, ICELAND	\$20	+ \$10
NORWAY, SWITZERLAND	\$20	+ \$10
EU, NEW ZEALAND	\$25	+ \$15
ASIA (ID, JP, KR, MY, PH, SG, TH, TW, VN)	\$30	+ \$10
ISRAEL, MEXICO, SOUTH AFRICA	\$40	+ \$40
REST OF WORLD	\$70	+ \$70



## A thorough process to set shipping rates

Determine  
add-on  
strategy

- Depends on size of add-on items
- Three approaches to charging shipping on add-ons
  - Least calculations - free shipping
  - Some calculations - only for shipped separately
  - Most calculations - all add-ons





## A thorough process to set shipping rates

*[Extra credit]*  
Set multi-unit  
shipping rates

- **Warning:** significant increase in calculation time!
- What are your goals?
  - Cater to as many backer requests as possible
  - Undercutting online discounters, especially in non-US regions
  - Support retailers and/or distributors
  - More cash flow up front
- Limited extra copies (2-4) vs group pledges
- Profit margin considerations selling to retailers



# Spreadsheet to help set shipping rates

- Free spreadsheet helps you:
  - Account for all shipping costs
  - See the comparison of your shipping subsidy vs what backer pays
  - Compare profitability per region

Game x1	Info only (with *) are hidden					Pledge	36.00	Mfg	5.00	Distro Price								
Updated Oct 2023	Change values in gray cells					MSRP	45.00	Freight	1.15	COGS								
4 lbs / 2 kg						Charge	PM	Royalty	1.26	Distro S/H Exp	<							
# Games	2	Charge for 2+	N/A	VAT Layer	Itemized	Sunk costs	3.00	For Distro	No	Credit	9.00							
Country / Region	Country Code	Sort Order	Region	EU %	EU Blended Avg	Selected Cost	Other S/H Exp	EU Comply	VAT %	Inclusive VAT	S/H Costs	S/H Less Credit	Charge S/H	Itemized VAT	Total Fees	Backer Pays	Distro Profit \$	Distro Profit %
United King	GB	B1	UK			11.00	1.00		0.20	-	12.00	3	10	9.20	4.72	55.20	18.87	52%
Blend - EU	EU	C00	EU			14.92	1.00	3.00	0.21	-	18.92	10	10	9.68	4.75	55.68	11.91	33%



## Spreadsheet to help set shipping rates

- **Paid spreadsheet** helps you:
  - Quickly compare shipping costs
  - Unify different rate sheet formats
  - Estimate currency conversion, fuel surcharges, and annual increases
  - Build your own robust worldwide shipping price list

1 Euro =	1.14		1 # items		<i>setup costs.</i>				
1 Pound =	1.3		<b>Weight</b>	<b>% Increase</b>	0%	0%	0%	0%	
1 CAD =	0.78		6 lbs	<b>Currency</b>	USD	CAD	Euro	Pound	
1 AUD =	0.73		3 kg	<b>Service</b>	Own network	Canada Post			
<b>Fulfillment Year</b>	Current			<b>Surcharge?</b>	Included	Yes	No	No	
				<b>Surch. %</b>	0%	10%	0%	0%	
<b>Rate Inc - Next</b>	10%			<b>Conv. Rate</b>	1	0.78	1.14	1.3	
<b>Surcharge - UPS</b>	15%			<b>Weight</b>	6	3	3	3	
<b>Surcharge - Fed</b>	10%			<b>Ratio</b>	1.00	0.86	1.14	1.30	
					Ark Transp	Pick & Pac	Happyshop	Spiral Gala:	
<b>Country / Region</b>	<b>Countr</b>	<b>Region</b>	<b>%</b>	<b>%</b>	<b>Notes</b>	<b>ARK</b>	<b>PP</b>	<b>HS-TR</b>	<b>SGG-TR</b>
	<b>y Cod</b>		<b>Back</b>	<b>Regio</b>					
United Kingdom	GB	UK	7%			N/A	N/A	24.72	14.26
United States	US	US	54%			15.28	N/A	35.09	38.14

- Can watch demo video to understand the full capabilities.
- Includes pre-filled rates from partners who list their rates openly.

## Questions or Need Help?

- Kirk offers paid consulting in the areas of logistics, taxes, and spreadsheets.
- Learn more at:  
[www.piecekeepergames.com/consulting](http://www.piecekeepergames.com/consulting)
- Email Kirk at: [games@piecekeepergames.com](mailto:games@piecekeepergames.com)



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