

## Cost comparison for calculating freight percentage on an order

The following is an example of a customer who ordered close out items on the web.

	Total of order with regular pricing	Total of order with close out pricing	Savings from regular price	Your discount off regular price
	\$1,395.96	\$202.20	\$1,193.76	85.52%
Freight	<u>82.58</u>	<u>82.58</u>		
Total	\$1,478.54	\$284.78	\$1,193.76	80.74%
% of Freight	5.92%	40.84%		

Example: On this order you saved \$1193.76 off from our regular price. For a total savings including freight for an additional 80.7% discount from our regular price. These prices on these closeouts are way below our original cost. Our loss but customers gain.

ATTENTION: The dollar amount of the order does not change the cost of the freight. The freight amount is still the same!!!!!!

\*\*to calculate freight percentage, take the total freight cost and divide it by the total order cost.

A normal range for percentage of freight cost on an average order with no discounted products should be in the range of 5 to 10 percent approximately.

As you can see in this example, when a customer receives close out pricing, they may calculate their freight costs as shown in the example above at 40.84%.

Use our normal wholesale price when calculating the freight percentage on an order

THERE IS NO CHANGE IN THE COST OF THE FREIGHT. UPS AND FED EX CHARGE BY THE AMOUNT OF SPACE NOT JUST ENTIRELY WEIGHT UNTIL IT EXCEEDS THE 34 LBS IN THE EXAMPLE BELOW.

Additionally, customers need to be made aware of dimensional weight.

Our normal shipping carton size 22x15x15 gets charged at 34 lbs. even if the contents of the carton weigh less.

For example a 20x15x15 shipping to Cleveland OH will cost the following to a business address.

Carton size 22"x15"x15" Carton weight 8 lbs	Cost	\$17.99
Carton size 22"x15"x15" Carton weight 34 lbs	Cost	\$17.99
Carton size 22"x15"x15" Carton weight 45 lbs*	Cost	\$22.46*

\* THIS IS WHEN THE WEIGHT OVER RIDES THE SIZE OF THE CARTON.

SHIPPING COSTS TO A RESIDENTIAL ADDRESS COST MORE FROM UPS AND FED EX  
FOR EXAMPLE SHIPPING TO CLEVELAND OH

Carton size 22"x15"x15" Carton weight 8 lbs	Cost	\$22.03
Carton size 22"x15"x15" Carton weight 34 lbs	Cost	\$22.03
Carton size 22"x15"x15" Carton weight 45 lbs*	Cost	\$26.50*