



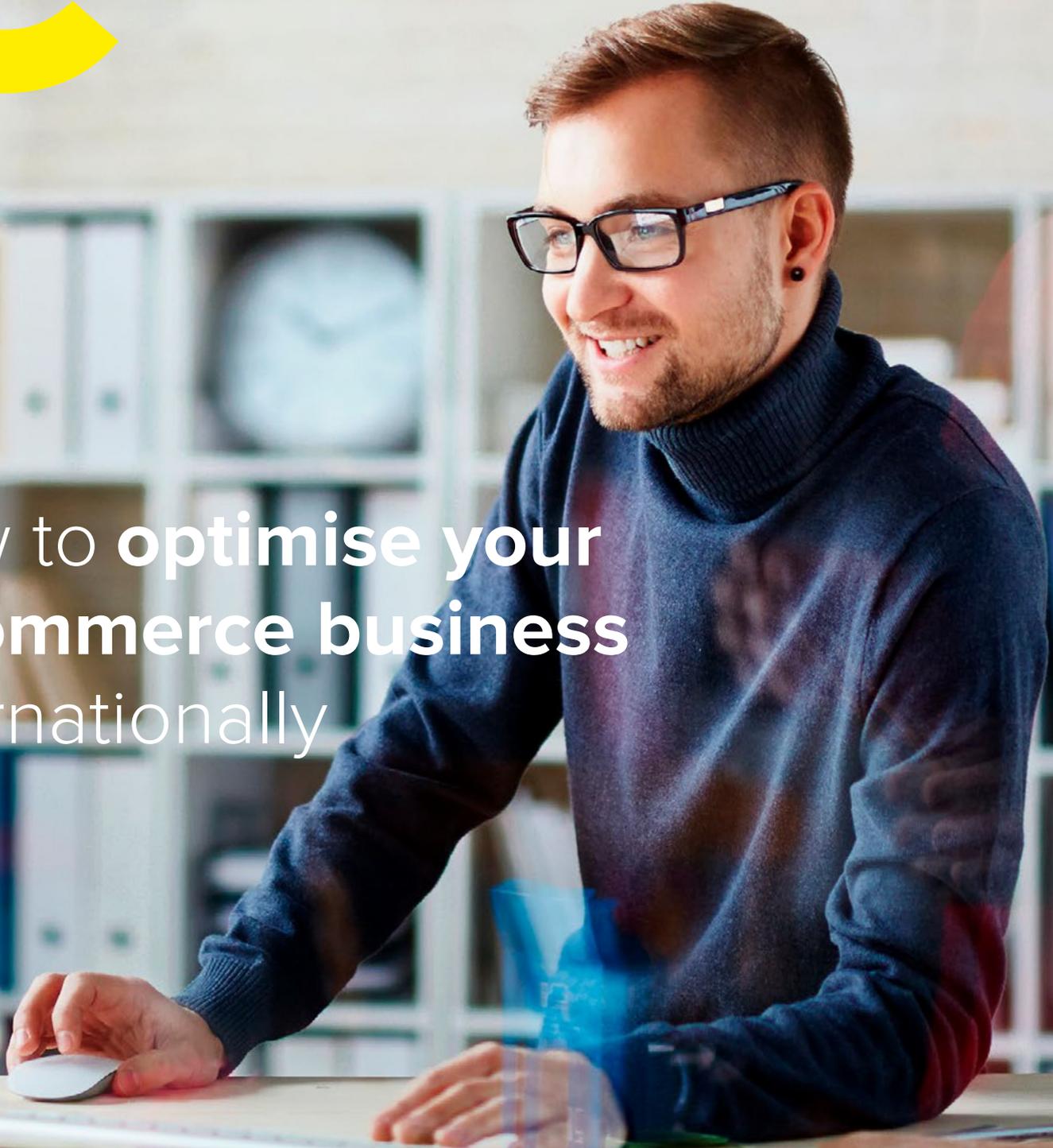
Discover new markets

ASENDIA

BY LA POSTE & SWISS POST

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How to **optimise your
e-commerce business**
internationally



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How to optimise your e-commerce business internationally

International e-commerce is a growing market. Research from Pitney Bowes Inc. found that around 40% of consumers have purchased goods online from another country. By 2020, the value of cross border e-commerce is forecast to reach US\$1 trillion. However, while the market is thriving – and growing – it also presents a number of unique challenges for any e-commerce business looking to expand internationally.





The pain points of international e-commerce

For any business entering the international e-commerce market there are a number of pain points to consider.

Higher shipping costs

Inevitably, it will cost more to send items over a greater global distance than to ship locally. This often means passing some, or all, of the cost over to customers, which many businesses find difficult to do.

Higher shipping costs are a reality for every enterprise shipping overseas and being able to manage this successfully is a crucial part of optimising an e-commerce venture for global success.

Rules and regulations

Crossing international borders means taking into account the rules and regulations of the jurisdiction that you're shipping into. Deliveries within the EU are fairly simple for European retailers but once a business begins shipping to other destinations there is a lot more to consider.

Many countries have some unusual restrictions on what can be sent into the country, for example, and customs documentation can be complex.

Fees and taxes

Another consequence to sending goods across international borders is that they may then attract fees and taxes. These are most often payable by the customer before they can collect the sent item. Many countries have thresholds below which there will be no fees or taxes to pay but these can be low and tend to differ from location to location.

Ensuring international success for your e-commerce business usually means taking into account local fees when it comes to calculating your shipping. Providers can offer expertise about complex issues such as customs threshold exemptions per country. For Switzerland for instance, threshold exemption is CHF 64.90. Below this amount, customers can benefit from savings on duties and taxes.

Work with an experienced international mailing partner

One of the biggest concerns for e-commerce businesses is to find a unique partner for all countries that can provide ease of use and peace of mind, delivering simple solutions to the complex problem of sending internationally.

Customers increasingly expect shorter and shorter delivery times. With companies like Amazon pioneering delivery in a matter of hours, it's inevitable that customer expectations now revolve around shipping periods that are shorter and shorter. This is something that is difficult to achieve when it comes to international shipping. Physical distance between countries means that shipping times can be frustrating for both customers and brands.

If someone purchases on a website located abroad because the product is cheaper or is not available locally, the shopper does not necessary need to have his goods

delivered urgently in express. The most important thing is to have the choice. It's also decisive to be able to decide which goods you need express delivery and which you can wait for to benefit from the better price.

International returns

The issue of returns is a difficult one for retailers generally – and, in particular, when those returns have to be managed and processed internationally. Returns are unpredictable and every e-commerce business hopes that return rates will be low. At the same time, when returns are required, if they are not well managed this can have a huge impact on brand perception and whether a customer is willing to buy from an international business again.

Solutions to help you optimise your e-commerce business internationally

1. Manage customer expectations when it comes to international delivery

If you're offering next day delivery to your customers, wherever in the world they are, then expectations will be very high and it will be difficult for you to deliver. It's absolutely crucial to manage customer expectations so that delivery times are understood before customers get to the checkout stage. Part of this process will be using the right software to show shipping transit times early in the customer journey and it's also important not to make delivery promises that you can't keep.

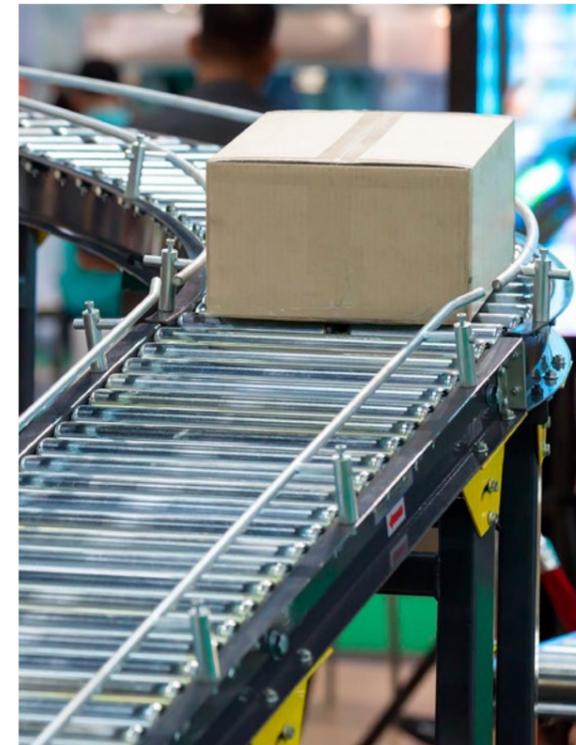
2. Don't shy away from returns

The worst approach e-commerce retailers can take to international returns is to simply hope that they don't happen. Return rates vary per country and per industry but, according to Invesp, roughly 30% of all

products ordered online are returned. If your business doesn't have the infrastructure in place to cope with that volume then customer service could suffer. Given that 92% of shoppers will buy again from a brand where they have had a positive returns experience, ensuring that you have a smooth and simple returns system in place is going to be crucial to optimise your business for international e-commerce.

3. Research the market that you're entering

Did you know that the preferred method of paying for e-commerce items online in Germany is by invoice? Different countries have different infrastructures and consumers in those countries will respond to varying methods of communication and purchasing options. If you want to optimise your business for global success then you need to research and understand each of the markets that you're planning to enter into.



4. Dig into the financials

Look at how the costs stack up from the point of view of the consumer. This means taking into account, not just the cost of the item and the shipping fee that the consumer will need to pay, but local costs and taxes too. If all these are added up does that make the product worth the purchase? This will necessarily involve some research into local fees and taxes – and the thresholds for tax free international purchasing in your key markets – so that you can price your offering accordingly.

5. Offer absolute transparency on key information

Customers get annoyed when they find something they love, proceed to check out and then suddenly see significant charges and fees added to the basket just to ship that item in from another country. Or that it will take a month in order for the item to arrive. So, it's important to be transparent up front about the costs to your customers in each market that you're looking to establish your business in. Make sure you clearly communicate the shipping times on the product page and make clear how much the delivery costs will be for international shipping. It's also useful to provide customers with information about the taxes and fees they might have to pay in their own country too.



6. Make your strategy scalable

A fully optimised e-commerce business is completely scalable. So, it can handle a sudden spike in overseas orders without going into meltdown over how to manage the logistics or how to ensure that orders are received within stated delivery times. Remember that, as you scale sales, you'll also need to scale all the ancillary elements of the business, including customer service and delivery options. Global shipping needs to be flexible to be scalable and cope with unpredictable spikes in volume - and much of that will come down to the provider that you choose to work with.

7. Ensure you deliver a cost effective, quality service

Despite the fact that international shipping costs more, consumers still expect to see delivery prices that they feel are reasonable. Plus, when you're paying more for delivery to a global destination there is also an expectation that certain service quality levels will be met.

The majority of online consumers cite price as the most important factor when it comes to digital buying, which makes cost effective shipping an essential in optimising your business for global success. A range of shipping options that cater to different budgets will give your customers more control and choice and you may have to shop around to find the right carriers for your products. When it comes to service, the level of communication has a big role to play in whether customers feel the service they've had offers value for money. Key to this will be factors such as a choice of mailbox or personal delivery, regular notifications about shipment progress and tracking that enables customers to see where their package is in transit.

Despite the obvious delivery pain points for businesses keen to engage a new, international audience, there are many ways to overcome these to optimise an e-commerce business internationally. Key to this will be choosing the right shipping provider with the resources, experience, services and networks to minimise pain points and help you to maximise profits and ongoing customer relationships.

Want to find out more about how you can benefit from Asendia's international parcel delivery service? Get in touch with Asendia today.

www.asendia.co.uk

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