



International eCommerce & its Impact on Logistics



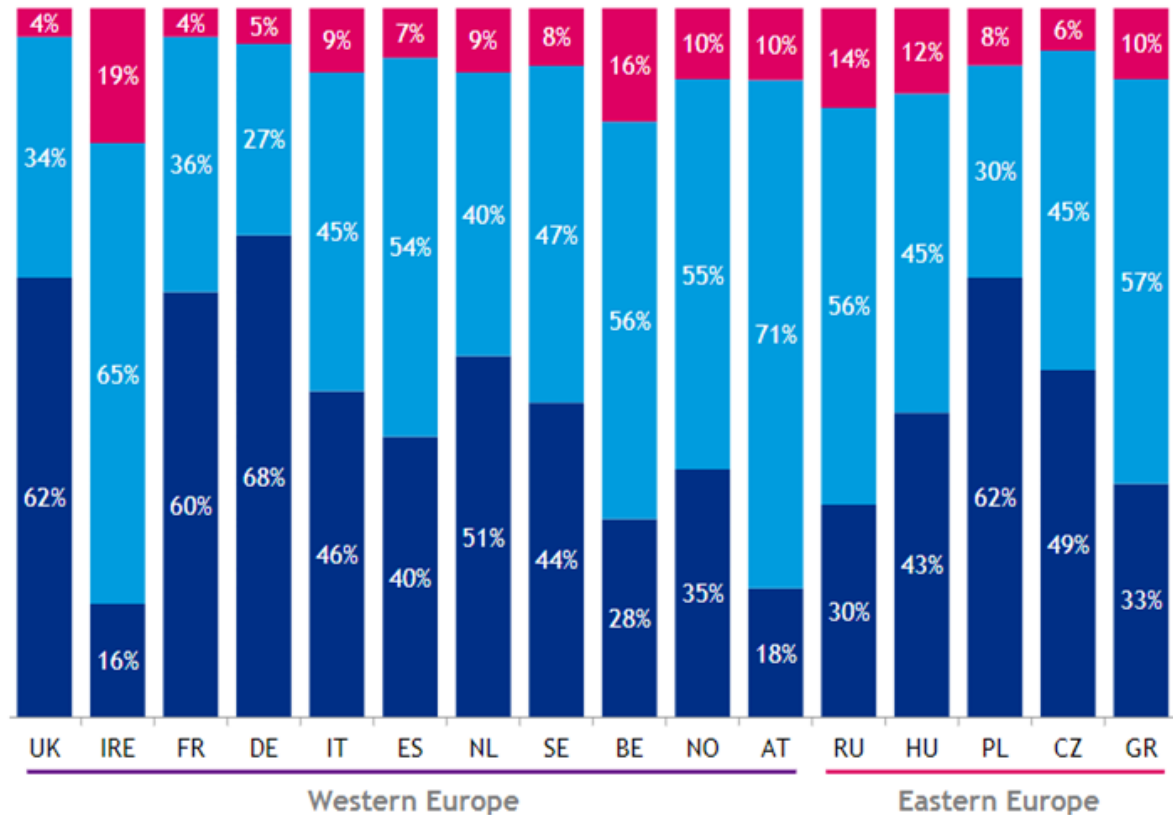
Thodoris Karakostas

Agency Development Manager | Greece, Bulgaria, Cyprus & Malta

We are living in a x-border consumer world

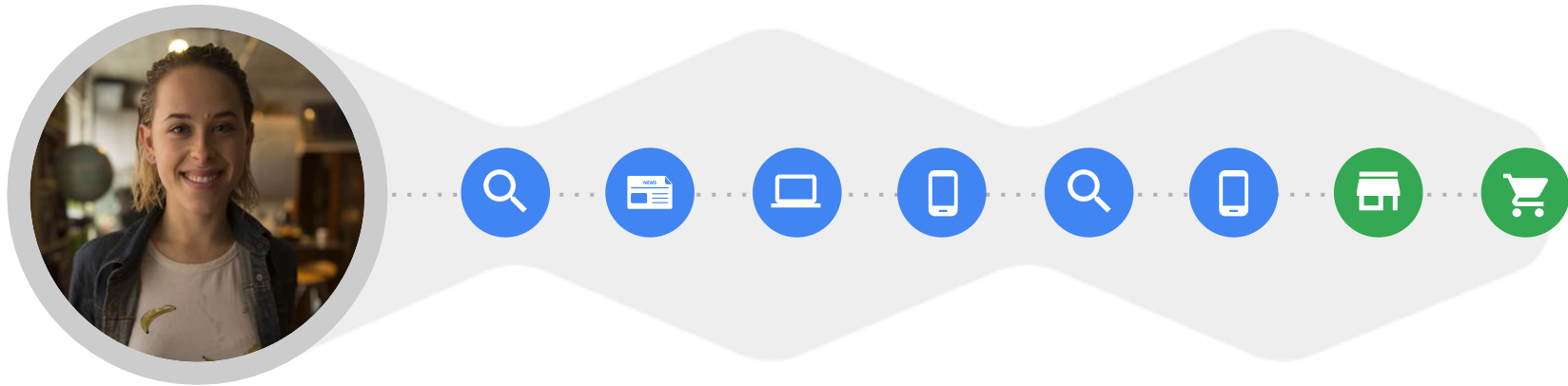
Proprietary + Confidential

■ % Shop domestically only ■ % Shop domestic and x-border ■ % Shop x-border only



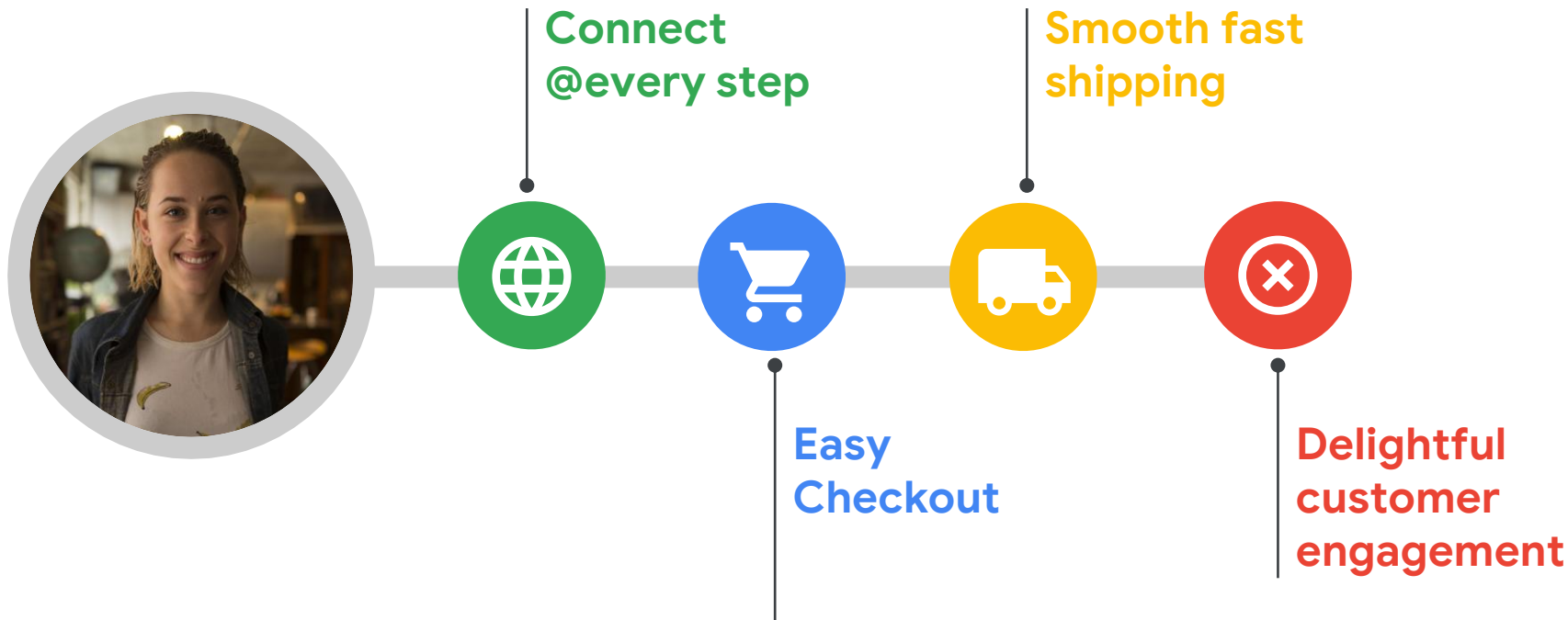
In marketing, a lot of time is spent trying to attract potential customers at every moment

Proprietary + Confidential



When you do attract a customer though, it's critical for them to have a good experience

Proprietary + Confidential



For Retailers, logistics is the most crucial aspect of all when looking to internationalize



Smooth,
Fast Shipping

>56%

of customers abandon
carts because
delivery options were
too expensive

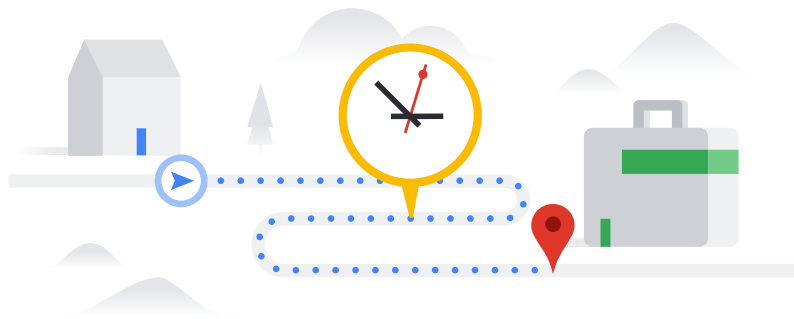


38%

would never shop with a merchant again due a **negative delivery experience**



Many last minute shoppers make their purchase decisions **based largely on delivery times**



Determine the best distribution strategy based on your business model & country footprint

Ensure that your shipping offering is competitive across market



Inbound Logistics

Outlines how you plan to organise your operations to deliver products to your end customer.

Critical to meeting growth, cost, and operational targets for the business.

Market Insights



Warehousing

All things Storage. It includes **merchant owned & operated DCs and those operated by a 3rd party.**

Warehouse operations can directly impact distribution costs & delivery performance.

Checkout Experience



Transportation

All modes of transport to ship finished goods to the end consumer market, as well as customs clearance and freight-forwarding of products.

This leg in the process is most vulnerable to unexpected delays and charges.

Customer Preferences



Delivery Model (Last Mile)

Incl. **alternative delivery options, flexible delivery bookings, and re-routing shipments.**

This leg of the logistics process is the most critical to the customer journey.

Supply Chain Mgt



Reverse Logistics (Returns)

Simply put - Returns. Transportation, storage, and/or disposal of products returned by customers.

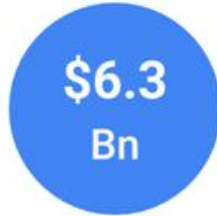
Most costly element of logistics and if not managed properly, can significantly eat into profitability.

Partners

Understanding the market expectations



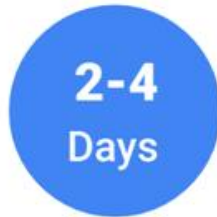
BELGIUM



Est 2019
retail ecomm
revenue



Est YoY Growth
(2020)



Avg delivery
lead time

Top delivery preferences



Home Delivery



Parcel Lockers /
Kiosk Pickup Point



Delivery to Office /
Work Location



After Hours /
Weekend Delivery

















Market insights

Strong preference for Bpost as delivery courier, followed by DHL, UPS and Fedex.

27% of customers want the option to change delivery location or time after a product has been dispatched

98% population reside in urban areas, this coupled with excellent logistics means that cross border retail is relatively easy.

Benchmarking your offering vs competitors'

	Standard Shipping			Express Shipping			Alternate Delivery	Returns	Customs
	Free Option	Lead Time	Cost	Options Available	Lead Time	Cost	Options Available	Free Returns	Duties
Your Brand	 (>60 EUR)	NL: 10-12 DE: 10-12 BE: 10-12 UK: 10-12	NL: 6 EUR DE: 6 EUR BE: 6 EUR UK: 6 EUR		NL: 7-8 DE: 7-8 BE: 7-8 UK: 7-8	NL: 13 EUR DE: 13 EUR BE: 13 EUR UK: 13 EUR		 (Defects Only)	All: Not Specified
Competitor #1	 (>39 USD) (US Only)	NL: 8-10 DE: 8-10 BE: 8-10 UK: 8-10	NL: 30 USD DE: 30 USD BE: 30 USD UK: 30 USD					 (50% Return Fee)	All: Paid on Delivery
Competitor #2		NL: 14 DE: 14 BE: 14 UK: 10	NL: 9 USD DE: 9 USD BE: 9 USD UK: 6 USD		NL: 7 DE: 7 BE: 7 UK: 9	NL: 27 USD DE: 27 USD BE: 27 USD UK: 15 USD		 (No Refunds)	All: Paid on Delivery
Competitor #3	 (> 500 INR)	NL: 10 DE: 10 BE: 10 UK: 7	NL: 6 GBP DE: 6 GBP BE: 6 GBP UK: 3 GBP		UK: 5	UK: 7 GBP		 (Case by Case)	All: Paid on Delivery

Finding the right partner (BE example)

Provider	Cross-Border Capabilities					In-Market Capabilities			Other Capabilities				Delivery Services		
	Freight Forward	Customs - Parcel	SEA	RAIL	AIR	WH	ROAD	RAIL	Cash on Del	Returns	Alt Del	B2B	STD	EXP	SAME DAY
Hellmann Logistics	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓		
SGS Logistics	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓		
Broekman Logistics	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	
Agility	✓	✓	✓		✓	✓	✓			✓		✓	✓		
DHL	✓	✓	✓		✓	✓	✓		✓	✓	✓		✓	✓	
Gosselin Logistics	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓		

Offer great customer experience

1

Offer both a **standard and next day/expedited** delivery option

2

Free shipping option included
(over threshold if needed)



3

Alternative delivery options available for
key markets

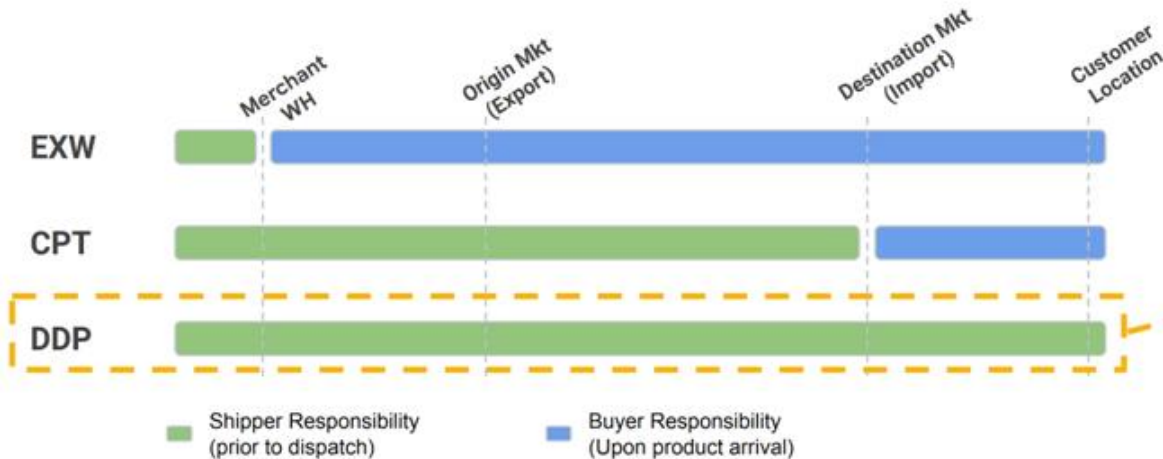
5

Easy returns process & ideally
free returns

4

Ensure your customers can
track progress of their order

Using the right incoterms strategy & charging structure



EXW: Ex-Works

CPT: Carriage Paid To

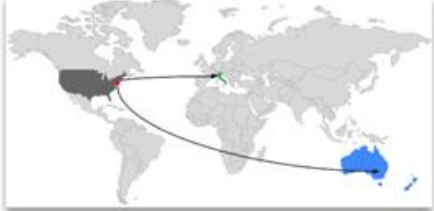
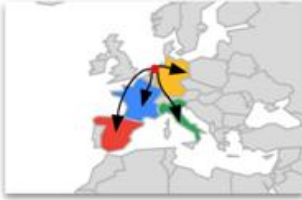

DDP: Delivered Duties Paid

Ensure a smooth customs experience for your customer using a DDP structure for exports

Add the charge as a line item at checkout

Reduce risk of delays and abandoned packages in destination markets

Weigh the tradeoffs between investment, strategy & timeline

US Cross-Border	Reg Cross-Border	In-Market
		
Simplicity and low overhead to get started in new markets	Flexibility and reach to support multiple markets	Speed and control to drive growth in a specific market

Justify the investment: When establishing any new warehouse, the business case & ROI need to be there - either from a **cost (cheaper)** or **performance (faster)** perspective.

Define the long-term growth strategy: Where will your company be delivering in 5 years? Is the long-term strategy to **scale market-by-market**, or do you want to be set up to **quickly expand to surrounding markets in the region**?

Establish timelines: Phase your distribution strategy **in line with your growth plans**

Thank You