

# Modern Growth:

How Successful Brands Overcome  
the 3 Most Common Barriers to  
Cross Border E-Commerce



Custom content for Consignor by **Supply Chain Dive** and **Retail Dive's Brand Studio**


**L**ong before COVID-19 injected 10 years of growth into an eight-week period of time,<sup>1</sup> cross border e-commerce was expanding rapidly. Overall, the market is valued at \$412 billion, about \$57 billion of which is exported by U.S merchants every year.<sup>2</sup> And recent studies revealed shopper penetration to be 50% higher in large markets such as Australia, China, Canada and Mexico.<sup>3</sup>

But while expanding into cross border e-commerce is an easy decision to make, it's not always a simple process to undertake.

The transition from in-store to online fulfillment can come with significant roadblocks that impact customer experience. Securing and onboarding carriers in a new country, for example, can be a confusing and complex process to navigate. And bringing data from new carriers into an existing

logistics process — while critical to success — can also be challenging to embark on when a retailer doesn't have the right process or partner in place.

“Building and optimizing a multi-carrier model in the cross border space is increasingly important for retailers,” said Jim Okamura, partner at McMillan Doolittle and co-founder of the Global eCommerce Leaders Forum. “But it's critical retailers find a way to do so without disrupting the customer experience. Ideally, customers should be oblivious to any change or expansion of carriers used to fulfill their orders.” Retailers working to optimize their cross border e-commerce investment find that using a multi-carrier parcel management solution (MCPMS) helps them to overcome the three most common obstacles to a successful expansion.



**“Consumer shopping behaviors will likely change for good, as a result of COVID-19. Even when brick-and-mortar retailers open up for business, consumers who have pivoted their buying method to online shopping, will likely retain these habits. Retailers need to prepare for omnichannel, cross border demand continuing to grow.”**

— Gary Carlile, Chief Sales Officer at Consignor

# 1. Quick onboarding of new carriers allows retailers to adapt

Two factors make quick onboarding of new carriers a critical competitive advantage for retailers today. First, it allows brands to get set up and launch into a market with a solid carrier footprint very quickly, saving both time and money in planning and implementation. Second, it allows retailers to meet the increased demand shoppers have for customized shipping options.<sup>4</sup>

This gives retailers with the right partners the flexibility to quickly offer the best choice for every customer, no matter where that customer is located, and whether the customer's criteria is price, convenience or delivery time.

For example, the clothing company Superdry sells to more than 100 countries worldwide from 21 international websites and 515 branded locations.<sup>5</sup>

Working with an MCPMS enabled the retailer to add 40 carriers for its retail, wholesale and e-commerce distribution centers in the U.K., Europe and U.S. while delivering a smoother experience for cross border customers with digitized customs documentation.

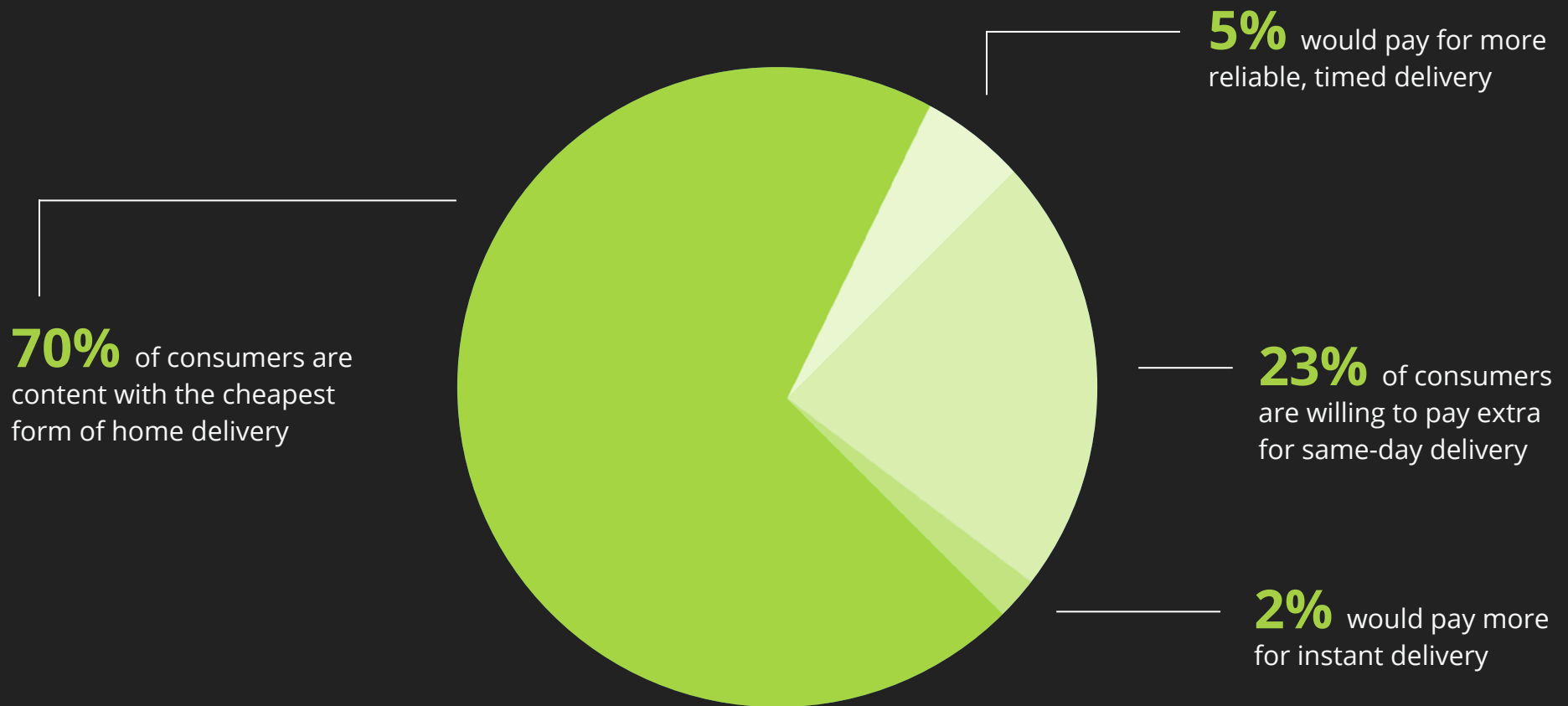
"Previously, our reporting was not as accurate as it needed to be, so it was very difficult to challenge the carrier with the data that we got from our manager," says Gordon Knox, Business Transformation and Logistics Director with Superdry.

"The data we get now is more accurate and more usable, and we're even working with our partner's team to develop AI and more machine-learning capabilities. We now have full visibility of anything that moves within the Superdry network and where it sits in our supply chain."

**"In the U.S. market, few retailers have the infrastructure in place to simply turn on e-commerce and fulfill orders with third-party logistics. A platform that can help a retailer get its system online quickly and react to what consumers want is critical because it allows the retailer to move quickly with the stock, retail footprint and staff it already has in place."**

– Gary Carlile, Chief Sales Officer at Consignor

# About a quarter of consumers would pay a premium for same-day delivery



Source: [Mckinsey and Company](#)



**“As consumers adapt to online shopping, shoppers expect to know where a parcel is at every stage of the fulfillment journey. On the retailer’s part, it becomes very clear how important it is to have a good interface for collecting data from carriers. Retailers that have this data infrastructure up and ready are better prepared to accelerate their investments in cross border e-commerce.”**

— Mattias Gredenhag, Chief Technology Officer at Consignor

## **2. Single portal integration makes sense of data in one place**

Another challenge retailers face when expanding into cross border e-commerce is managing all of the data that comes with this new channel. Without an MCPMS, retailers must manage multiple systems with different integrations for each carrier. It becomes far too easy for crucial details to be lost or overlooked during the fulfillment process, or simply not optimized, as happens when warehouse operatives are not aware of the cost impact of selecting a given carrier.

“Managing consumer shipping options carefully is a big factor in making a loss or a profit on retail purchases,” says Gary Carlile, Chief Sales Officer at Consignor. “Having a single portal for all carrier integrations gives warehouse operators access to built-in business logic that makes it easy to select the carrier with the cheapest, fastest route based on the shipping options available.”

Not only does organizing data in one central location allow retailers to make strategic carrier decisions based on the most updated data, but it also allows them to avoid costly processing errors. In one example, using an MCPMS allowed the online retailer Firtal to save costs by speeding up warehouse processing while at the same time preventing costly errors by increasing accuracy.<sup>6</sup>

“When you ship 220,000 parcels a year, errors will occur,” said Jesper Hvejsel, CEO and owner of Firtal. “Errors can be difficult to detect. However, with an MCPMS, we are able to extract data on all shipments and easily match them with invoices from our carriers. Early identification of errors helps us avoid paying for avoidable mistakes thus keeping freight costs to a minimum.”

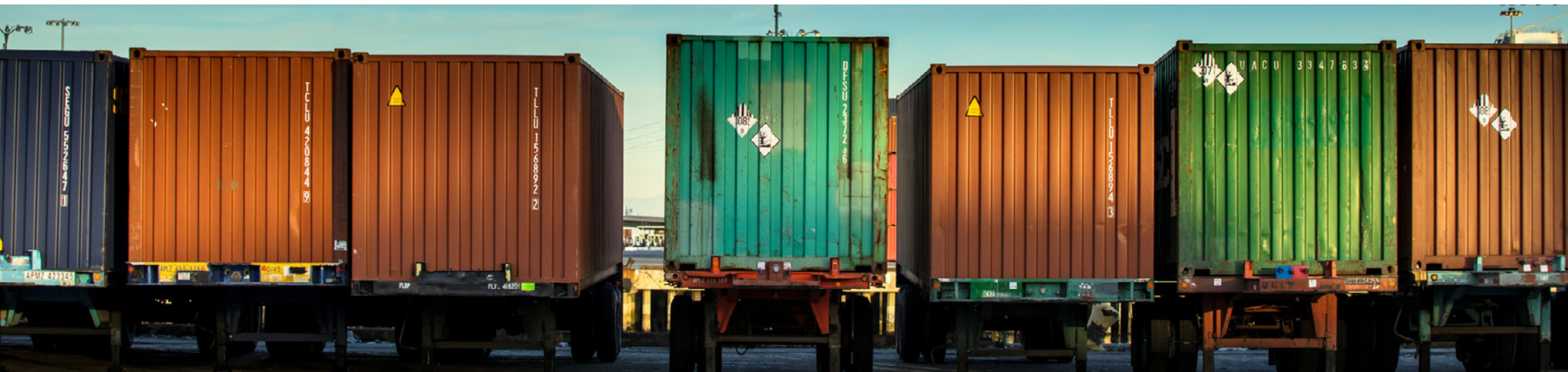
### 3. Detailed reporting capabilities empower logistics executives to make more informed decisions

Without an MCPMS, managing carrier data can be a complex and painful, manual process. Retailers must deploy a significant amount of administrative overhead to pour through invoicing reports and double-check carrier reporting. But when a retailer can aggregate and analyze this information in one system, they gain insightful benchmarks such as:

- Best delivery times by customer location and carrier
- Most effective carrier by location, cost or customer segment
- Estimated cost versus actual cost for carriers

Supported with data, logistics executives can then make strategic decisions about different carriers and parcels that ultimately deliver a better customer experience.

For example, reviewing benchmarking data on deliveries might reveal that customers in Pennsylvania have an excellent experience with one carrier, while that carrier delivers a suboptimal experience for customers in Texas. The logistics executive would be empowered to make changes to fulfillment accordingly, further optimizing the overall customer experience and encouraging repeat purchases.



Beyond specific use cases, this kind of detailed reporting also enables retailers to be truly strategic about their choices in the long-term. Retailers, for once, have the data they need to set their own benchmarks and improve their decision-making as they collect more data.

“Every business model has some performance factors at play,” said Okamura. “But these metrics, key performance indicator and service-level agreements are often changing based on new internal measurements or even shifting industry standards. The challenge at the fulfillment level is to report on the right metrics to show improvement in these different areas, which you can't do if you are not capturing that data.”

**“In the past, logistics executives didn't have access to this kind of insight because carriers have been able to sit on all of this data. But when you have detailed reporting capabilities on all of the parcels you've sent and all of the carriers you've used, you restore that balance. You are now just as informed or even more informed than your carriers, which can be a significant advantage when it comes to negotiating rates and making plans for the future.”**

— Mattias Gredenhag, Chief Technology Officer at Consignor



## **Simplifying the Cross Border E-Commerce Opportunity**

In the aftermath of COVID-19, traditional and omnichannel retailers alike are searching for the most effective way to maintain and grow revenue. Thanks to a global increase in online consumer shopping behavior, cross border e-commerce stands out as one of the most important investments a retailer can make.

But to drive the best return on the investment, it's critical retailers support the decision with the right strategy, technology and partners. Retailers that move into cross border e-commerce with the support of an MCPMS avoid the three most common barriers to success and set themselves up with the speed, carriers and data they need to seamlessly expand into a new country — and provide a seamless shopping experience to a whole new demographic of shoppers.

# Sources

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4. ["How customer demands are reshaping last-mile delivery,"](#) McKinsey and Company, October 19, 2016
5. ["Superdry chooses Consignor to complete pioneering logistics plan,"](#) Consignor, November 1, 2018
6. ["Firtal online shops keep warehousing and freight costs at an absolute minimum with Consignor,"](#) Consignor



Consignor helps retailers make delivery a competitive advantage for their business and a seamless experience for their customers.

Handling millions of shipments per year and hosting the largest carrier library in the world, the Consignor platform is enabling more than 10,000 customers to automate their shipping process, regardless of which carrier, ERP, WMS or webshop they are using.

With a single integration point for your key systems, shipping rules can be created on the fly and relevant checkout options provided to your customers, all while managing carrier availability and performance in real-time.

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