Amber Road
POWERING GLOBAL TRADE®

eBook

Three Imperatives for Global eCommerce



eCommerce Growth Accelerating Around the Globe

If you're not already engaged in international eCommerce, now is the time to begin planning your strategy. Internet use is increasing across established and emerging markets along with the use of mobile devices to manage the consumer shopping experience.

These expected eCommerce growth rates will have a significant impact on retail, consumer products, 3PL, parcel shipping, and other industries involved in eCommerce.

According to the market research firm eMarketer, eCommerce sales will eclipse **$3.5 trillion** *within the next five years, and the web will account for* **7.3%** *of global retail sales in 2015, growing to* **12.4%** *by 2019.*

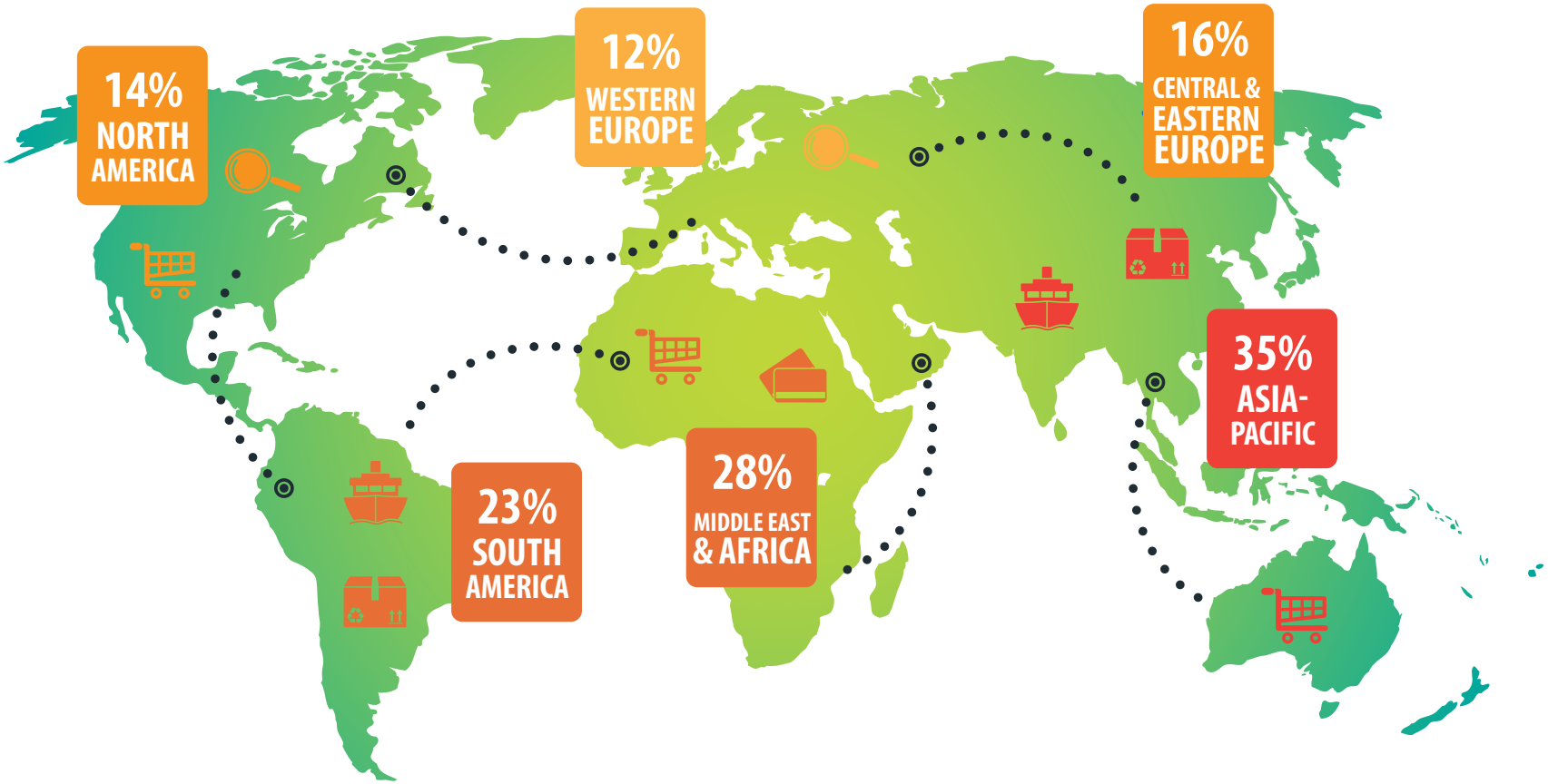


Now is the Time to Address Your International eCommerce Strategy

Currently, the majority of consumers' shopping activities take place domestically. However, studies indicate that consumers are beginning to move beyond their own borders to obtain the products they desire. According to a 2014 Pitney Bowes Global Online Shopping Study, nearly 40 percent of consumers have purchased goods online from another country. The U.S., U.K., and Germany top the list of most desirable cross-border e-destinations.



eCommerce Global Growth Rates





Where is eCommerce Growing, Exactly?

With a constant focus on revenue growth, companies should be mindful that more than half of the world's buying power resides outside of the United States. As the previous page highlights, for example, eCommerce in Asia Pacific increased 30% in 2013 compared to 13% in the U.S. marketplace.

Another factor to consider is the growing middle class in highly populated countries like China, India and Brazil. eCommerce provides a compelling opportunity for businesses to reach these pockets of growth. A recent U.S. Small Business Administration survey identified that 63 percent of small businesses are interested in growing their global eCommerce efforts, and the BRIC countries are an excellent place to start.





Cross Border Commerce Still Has Room to Grow:

- 48% of companies now do business in more than 50 countries, and 32% do business in more than 100 countries.
- 35% of companies now realize more than half of their total sales from customers located in foreign markets.





Global eCommerce Presents Additional Challenges

The opportunity to grow revenue with a global eCommerce strategy is significant, but consider the challenges too:

- **Global supply chain and order fulfillment** – With international logistics more costly and complex, firms must have an accurate method for determining the most cost-effective method of delivery.
- **Country regulations** – Retailers and other eCommerce organizations must fully abide by specific trade laws that can vary by country.
- **Customs clearance** – A major undertaking, organizations must fully understand all restrictions, duties, taxes, and documentation requirements.
- **Technology** – Integrating key features and providing an accurate landed cost at the time of order entry are essential to a positive customer experience.



Whether you're a retailer, consumer products company, 3PL or parcel package carrier, three key imperatives will help your firm solve these challenges and distinguish your international eCommerce strategy:

1. Real time classification and screening
2. Accurate landed cost
3. Improved package tracking





1. Real Time Product Classification and Goods Screening

Consumers expect a quick and easy online buying experience, so global orders require accurate product classification in real time. All countries require and rely on the International Harmonized System (HS) to properly classify products. As a result, tariffs and duties are routinely assigned based on the HS code and required at the time of order to provide your consumers an accurate price.

As a global eCommerce provider, you must ensure that all goods shipped from your website fully comply with international trade laws and regulations. Utilizing the results of your product classification and other order information, you can quickly identify any orders that may violate restricted party lists, import regulations, export regulations, or dangerous goods restrictions.

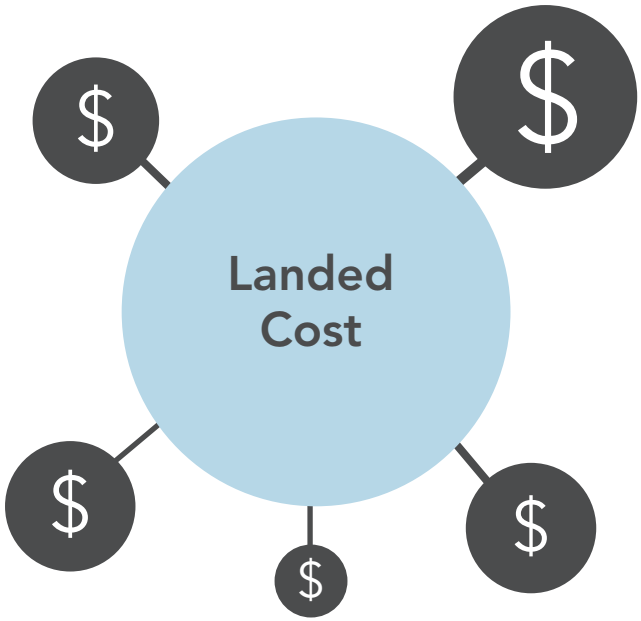




2. Accurately Calculate Landed Cost at the Time of Order Entry

The accurate analysis and calculation of total landed costs is imperative for organizations with global eCommerce operations. However, many companies simply provide the shipping cost at the time of order and overlook common cost elements such as duties, tariffs, taxes, harbor fees, and handling fees, to name a few. This easily becomes an important issue for your organization should the shipment be rejected if duties are due upon delivery, or the customer refuses to pay duties that were not included in the pricing at the time of order.

By adopting control and management systems to accurately calculate total landed costs, companies can present this information at the time of order entry and establish the proper pricing expectation for the consumer. This leads to greater customer satisfaction and lower shipment returns.





3. Gain Real-Time Access to Package Tracking Information

Consumers expect access to accurate package tracking and delivery information for their orders. As a result, it is crucial for eCommerce providers to make this information readily available to ensure a positive customer experience and maintain retention rates.

To provide consumers real-time tracking information, you have to know what's happening now across a variety of global supply chain partners. This global visibility enables you to monitor performance across the international shipment process and take into account global trade requirements, Customs delays, and other factors that might impact expected package delivery dates. Now you can provide consumers real time tracking information with confidence.





Conclusion

While there is clearly a large market opportunity associated with global eCommerce, companies must address several challenges to the strategy. Retailers, consumer products companies, 3PLs, eCommerce marketplaces, and others need to create a comprehensive plan, and should consider partnering with a solution provider experienced in global trade regulations and practices. The three imperatives identified in this eBook provide a starting point for establishing your strategy, growing revenues globally, and delivering a positive global eCommerce experience for your consumers.

About Amber Road

Amber Road's (NYSE: AMBR) mission is to improve the way companies manage their international supply chains and conduct global trade. As a leading provider of cloud based global trade management (GTM) solutions, we automate the global supply chain across sourcing, logistics, cross-border trade, and regulatory compliance activities to dramatically improve operating efficiencies and financial performance. This includes collaborating with suppliers on development, sourcing and quality assurance; executing import and export compliance checks and generating international shipping documentation; booking international carriers and tracking goods as they move around the world; and minimizing the associated duties through preferential trade agreements and foreign trade zones. Our solution combines enterprise-class software, trade content sourced from government agencies and transportation providers in 145 countries, and a global supply chain network connecting our customers with their trading partners, including suppliers, testing/auditing firms, freight forwarders, customs brokers and transportation carriers. We deliver our GTM solution using a Software-as-a-Service (SaaS) model and leverage a highly flexible technology framework to quickly and efficiently meet our customers' unique requirements around the world.

For more information, please visit **www.amberroad.com**, email **Solutions@AmberRoad.com** or call **201-935-8588**.



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