



i-parcel™

A Special Report prepared by Internet Retailer

E-commerce without borders

How top merchants are successfully
selling to consumers worldwide





EXECUTIVE INTRODUCTION

Making the case for global e-commerce



Randy Strang
Vice President
Global B2C
Operations, UPS

The world is there for the taking.

What's keeping more merchants from going global?

Every day online shopping is bringing retailers to the doorsteps of millions of consumers worldwide. Global e-commerce

grew 23% in 2015, presenting e-retailers with unprecedented avenues to open new markets in every region. Asia is the juggernaut, but all regions are experiencing strong growth, as we detail in this report.

Studies show that consumers are more than willing to shop outside their own countries—one in four shoppers in the most recent UPS/comScore study notes they have made an international purchase in the past year.

But selling to customers globally has its own unique set of complications and challenges that makes many retailers hesitant. To gain a greater comfort level to begin the process, web merchants need to understand the “ins and outs” of what global e-commerce is and how it operates.

That's why UPS i-parcel has partnered with Internet Retailer to bring you a road map to

understanding the opportunity and meeting the challenges of global e-commerce.

In the pages ahead, readers will find detailed data and analysis on the size, growth and direction of international e-commerce, plus case studies on how retailers of varying sizes have been selling to consumers around the world.

Successfully selling online internationally requires a localized approach to logistics, marketing, social media, delivery, payment, returns and customer service.

Not all web merchants go it alone. They look for a trusted partner in global expansion. That's why more merchants are seeking a viable commercial service like UPS i-parcel to enable a localized shopping and shipping experience. We have the international trade expertise, delivery network and technological innovation needed to help retailers make the quick transition to global online sales.

The insights in this report are designed to help you begin your journey into global e-commerce with greater knowledge of the road ahead. We're always open to exploring how we can assist your organization in taking on the world.

Randy Strang

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'UPS i-parcel has partnered with Internet Retailer to bring you this road map to understanding the opportunity and meeting the challenges of global e-commerce.'

E-retailing beyond U.S. borders



To growing legions of online shoppers the world isn't so big and wide after all. Today, whether it's a mom in the U.S. making a purchase from her iPad, a lawyer in France doing a little lunch-time shopping from a work computer, or a college student in Mexico using her smartphone to make a purchase while sipping coffee at an outdoor café, today's advancements in technology and supply chains make the proximity of a retailer irrelevant.

All shoppers want is an easy online shopping experience that is local to their native checkout preferences. This means being able to choose from the best selection of products at the lowest price, no matter where in the world the merchant resides. Merchants who localize their online stores with language translation, currency conversion, duty and tax displayed at checkout, and offer international payment options stand to capitalize on the rise of cross-border e-commerce.

◀ key
takeaway



The number of global cross-border online consumers will more than triple to near 1 billion in 2020 compared with 309 million in 2014.

Source: 2014 Accenture/Alibaba report

Selling online to a global audience

It wasn't long ago that e-commerce was confined to national markets—and mainly took place in the U.S., Japan and Western Europe where only these shoppers had access to personal computers with broadband Internet connectivity. Today there are billions of consumers throughout the world with web-connected mobile phones, and economic growth has given more consumers than ever access to the Internet for the first time.

The growing number of middle-class consumers in Asia, Latin America and Africa are aware of Western culture through TV and movies. These shoppers seek the authenticity and quality of well-known consumer brands. As a result, e-commerce has quickly expanded beyond national borders.

Studies from several research firms document that cross-border e-commerce is growing at a rapid pace.

The number of global cross-border online consumers will more than triple to near 1 billion in 2020 compared with



309 million in 2014, according to a report from consulting firm Accenture and AliResearch, the research arm of Chinese e-commerce giant Alibaba Group Holding Ltd.

Nearly 67% of web shoppers in Canada have made at least one purchase outside of the country in the past year, according to research firm eMarketer.com, and in Europe 15%, or 76 million of the 508 million consumers that live in the 28 countries that make up the European Union, have made an online cross-border purchase within 12 months, says trade association Ecommerce Europe.

In China, now the world's single largest online retail market, yet one where e-commerce is still relatively new, 7%, or 26.2 million, of China's estimated audience of 375 million online shoppers, are cross-border shoppers, according to the U.S. Department of Commerce.

Online shoppers worldwide clearly aren't inhibited by cross-border e-commerce and many prefer buying direct from international websites, especially from merchants based in the U.S.

Learn from the successful practitioners of cross-border e-commerce

But selling to online shoppers in foreign countries also has its challenges. 57% of the Internet Retailer Top 500 merchants now engage in cross-border e-commerce. But they enable international e-commerce in a variety of ways. Few retailers can afford to build and maintain their own cross-border e-commerce solutions in-house. For those who have yet to develop the internal expertise to address this fast growing global market, UPS i-parcel offers an elegant solution.

Such providers offer technology to localize any website, accept international payments methods, manage fraud, process international shipments, offer return solutions and help display duty and tax at checkout. Cross-border solutions are intended to remove the cost and complexity of enabling an end-to-end localized shopping experience.

Cross-border solutions are intended to remove the cost and complexity of enabling an end-to-end localized shopping experience.

key takeaway



Almost half of global online consumers will purchase from overseas websites by 2020.

Source: 2014 Accenture/AliResearch report



A global view of e-commerce growth



North America

Web sales
2015: \$373 billion
2014: \$324 billion

TAKEAWAY E-commerce in the U.S. grew at a three-year annual compound growth rate of 15% from 2013-2015 compared with 17% for Canada.

Source: U.S. Department of Commerce, eMarketer, Internet Retailer estimate, 2015



Europe

Web sales
2015: \$473 billion
2014: \$411 billion

TAKEAWAY France, Germany and United Kingdom account for 60% of all European e-commerce sales.

Source: Ecommerce Europe, Internet Retailer estimate, 2015



Latin America

Web sales
2015: \$47 billion
2014: \$41 billion

TAKEAWAY Latin America, like Europe, is more of a series of single national e-commerce markets than a unified retailing market such as the U.S.

Source: Latin America 500, Internet Retailer estimate, 2015

Global E-commerce Sales

Web sales
2015: \$1.7 trillion
2014: \$1.4 trillion

TAKEAWAY Cross-border e-commerce is growing 1.5 times faster than in North America and Europe.

Source: Internet Retailer estimate, 2015





Asia

Web sales
2015: \$816 billion
2014: \$615 billion

TAKEAWAY China is now the world's single largest national e-commerce market with e-commerce sales in 2015 that grew nearly two times faster than global web sales.

Source: Asia 500, Internet Retailer estimate, 2015



Middle East/Africa

Web sales
2015: \$15 billion
2014: \$11 billion

TAKEAWAY 54% of web shoppers in the Middle East prefer to buy online locally.

Source: eMarketer, 2015

Australia

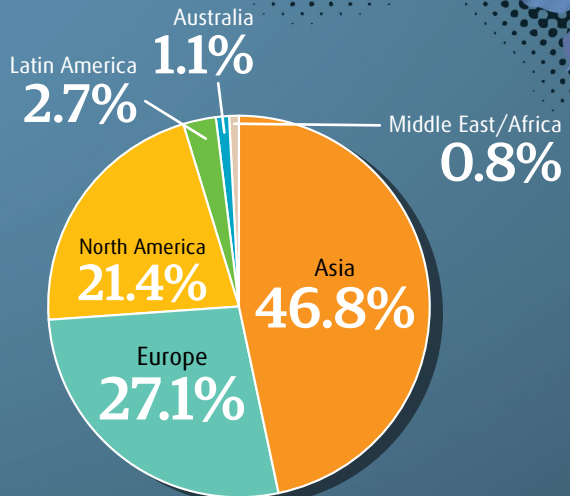
Web sales
2015: \$19 billion
2014: \$17 billion

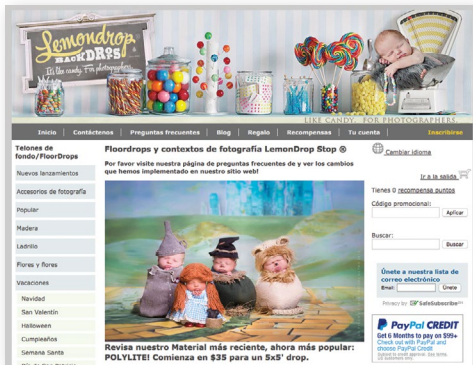
TAKEAWAY 73% of Australians have made a purchase on a tablet and 58% have made a purchase on a smartphone.

Source: National Australia Bank, Internet Retailer estimate, 2015



Regional sales, as a percent of total, 2015





LemonDrop Stop keeps it local on a global scale

In 2015, UPS began providing cross-border e-commerce services for LemonDrop Stop. The e-retailer first tried to handle cross-border sales on its own and wound up having to pay the Canadian government several years of under-collected sales tax.

For retailers such as LemonDrop Stop the key to successfully selling online overseas is developing an accurate landed cost solution that is scalable and eliminates the cost of in-house development.

Today international orders account for about 10% of the web sales LemonDrop Stop takes in annually. That could be as high as 20% in two years, co-founder and chief operating officer Floyd Baker says.

LemonDrop Stop has been in business and selling online since 2010. At one time LemonDrop Stop managed international e-commerce development work in-house.

But the process of maintaining these features was cumbersome and time consuming, Baker says. The retailer designed a back-end system to process international orders and used PayPal to accept foreign credit cards.

In addition, Baker built a system that would batch Canadian orders and send the orders in real-time to a Canadian company, where the product was manufactured in-country and shipped to the consumer.

LemonDrop Stop, an online retailer of backdrops and floor drops for professional and amateur photographers, expects cross-border sales to account for 20% of all revenue within two years.



Baker developed similar distribution agreements with companies in the United Kingdom for product production and delivery. But the process wasn't problem-free or efficient.

While the e-retailer could process and ship U.S. orders in one to three business days, the foreign distributors often took a week or more to process and deliver LemonDrop Stop orders.

Returns also were a problem, sometimes taking months for unwanted product to be returned to Baker's Canadian or U.K. distribution partners before a replacement could be processed or credit issued.

"We tried doing everything to oversee the process and keep control of the business, but it was problematic," Baker says. "Communication was a big problem since we were unable to provide answers to a customer query until we were able to get an answer ourselves."

Know before it goes

Web merchants shipping to other countries also need to know the fully landed cost of fulfilling an order. That includes all duties, taxes, and shipping fees. LemonDrop Stop attempted to do this on their own, knowing government revenue services in the U.K. and Canada require the accurate reporting of these fees.

But international cost calculation can be tricky, and mistakes can be expensive, as Baker learned. In 2013, after filing its



Nearly 67% of web shoppers in Canada have made at least one purchase outside of the country in the past year.

Source: eMarketer, 2015

'We tried doing everything to oversee the process and keep control of the business, but it was problematic.'

Floyd Baker,
Chief Operating Officer,
LemonDrop Stop





In Europe 15%, or 76 million, consumers have made an online cross-border purchase within the past 12 months.

Source: Ecommerce Europe, 2015

tax form with the Canadian government LemonDrop Stop was anticipating an overpayment refund of \$2,000. But instead an audit by the Canada Revenue Agency revealed the retailer had been under-collecting the necessary taxes for several years and had to pay about \$50,000 to cover the shortfall. "That was an eye opener," Baker says.

LemonDrop Stop subsequently revamped its international business, and is expanding as a result, Baker says. In 2015 LemonDrop Stop signed an agreement with UPS i-parcel to manage its cross-border program. Under the agreement UPS i-parcel serves as the merchant of record, which means orders are placed on LemonDrop Stop but processed by UPS i-parcel, which collects international payment methods from the customer including all duties and taxes. Transactions are processed in local currencies, Baker says.

UPS i-parcel also provides LemonDrop Stop with other services, including international shipping to and from 100 different countries worldwide. In addition, the UPS i-parcel platform allows for LemonDrop Stop to enable Motionpoint, a site translation service that transforms one single website into three different languages including Spanish, French and German.

Today about 70% of all international orders from LemonDrop Stop are shipped to Canada. But European



orders are beginning to average about 20 per month, and Baker says enabling a localized checkout and offering affordable international shipping options to multiple countries positions the company to grow its cross-border e-commerce business. "The expertise we've added means we can operate more efficiently selling and shipping overseas," Baker says.

Wayfair gives local customers what they want

Online housewares and home furnishings retailer Wayfair.com is building a growing international e-commerce business. Wayfair grew cross-border e-commerce sales 41% to about \$83 million in 2014 and by 34% to about \$79 million through the first nine months of 2015.

Wayfair designs localized e-commerce and mobile commerce sites that reflect the interests of customers in France, Germany and Spain, says John Mulliken, Wayfair senior vice president of international and strategic initiatives. "A relevant homepage has to illustrate pertinent products," he says. "While an item might be a best seller in one market, the products that draw people from a specific country to a website may look incredibly different."

Newegg.com goes international

Newegg.com, a web-only retailer of computer gear and consumer electronics, also is embracing cross-border e-commerce. Newegg operates localized web stores in Australia, India, Ireland, Israel, New Zealand, Netherlands, Poland and Singapore. In addition, Newegg will ship orders from the U.S. or from its international distribution centers to about 50 countries.

Newegg's global shoppers see prices in their local currency and also view specific products only sold in their local markets. "A key element for cross-border success for us is to establish local merchandising in each country," says Newegg North America chief operating officer James Wu.

'A relevant homepage has to illustrate pertinent products.'

John Mulliken,
SVP of International and
Strategic Initiatives,
Wayfair

key
takeaway

key
takeaway

Stocking up on cross-border e-commerce solutions

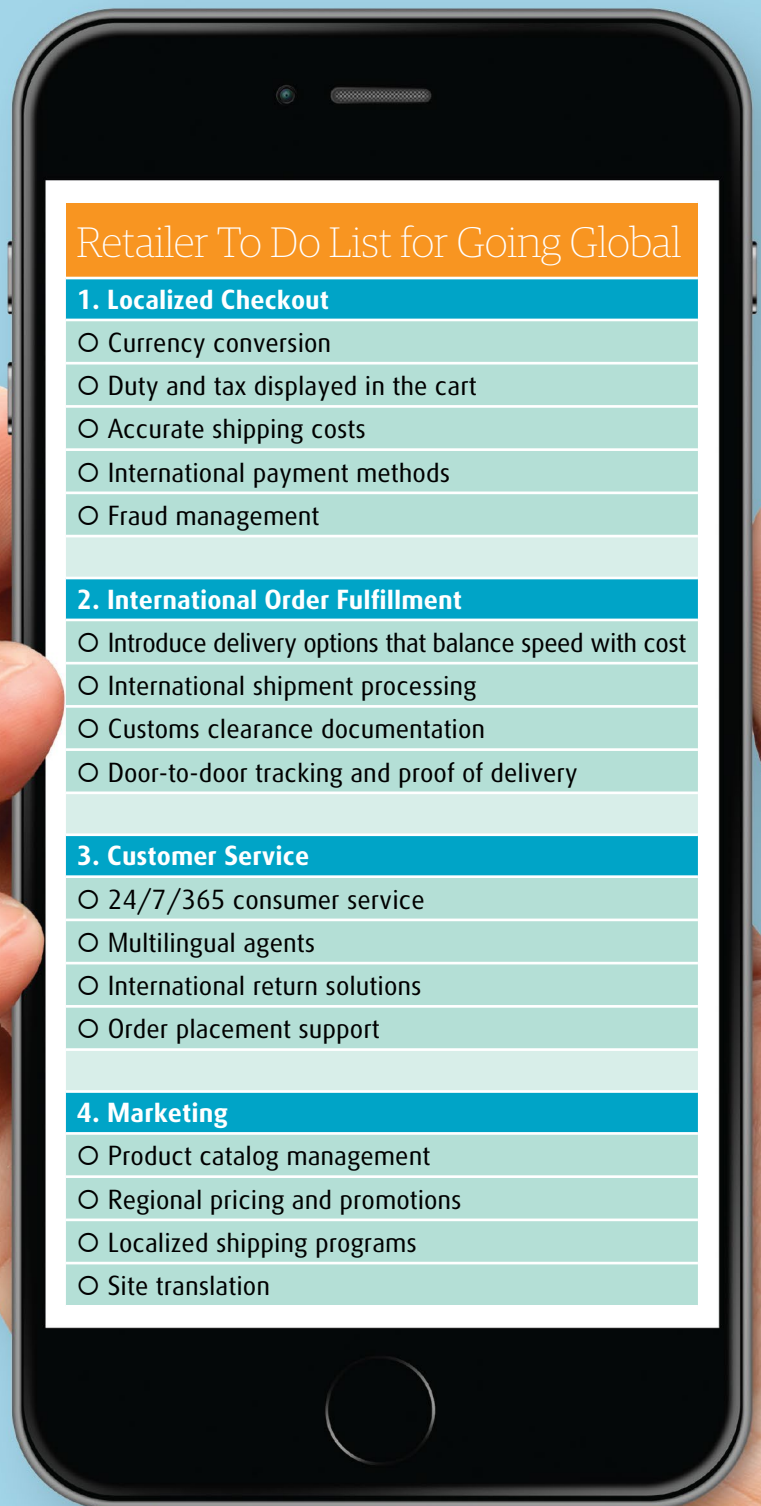
Enabling an end-to-end localized shopping experience can create challenges.

A superior customer experience must address the development of:

- currency conversion
- international payment options
- duty and tax calculations at checkout
- customs paperwork
- international delivery and returns

A viable third-party e-commerce service such as UPS i-parcel reduces the cost and complexity of selling to international consumers.

UPS i-parcel™ Select delivers within 5-8 business days and costs up to 80% less than other express options.



Retailer To Do List for Going Global

1. Localized Checkout

- Currency conversion
- Duty and tax displayed in the cart
- Accurate shipping costs
- International payment methods
- Fraud management

2. International Order Fulfillment

- Introduce delivery options that balance speed with cost
- International shipment processing
- Customs clearance documentation
- Door-to-door tracking and proof of delivery

3. Customer Service

- 24/7/365 consumer service
- Multilingual agents
- International return solutions
- Order placement support

4. Marketing

- Product catalog management
- Regional pricing and promotions
- Localized shipping programs
- Site translation

Localize any website with 70 different currencies in over 100 countries



Overall benefits

- Grow international sales
- Eliminate the high cost of implementation
- Minimize IT resource allocation
- Remain in control of your brand experience
- Complete access to customer data
- Provides landed cost at checkout to eliminate refused deliveries



Contact your UPS Account Manager to learn more
or visit www.i-parcel.com



i-parcel™

E-retailing beyond borders

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A global view of e-commerce

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Success stories

LemonDrop Stop
Wayfair.com
Newegg.com

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ALPHA 发展史

Alpha Industries 自成立时就秉持着一个信念：只有品质卓越、能够出色抵御极端气候条件的防护衣物才配得上美国军队。

从 1959 年 10 月公司成立开始，美国国防部 (DOD) 就授予 Alpha 合同，为美国军人制作外套，其中包括 N-3B 大衣和 MA-1 飞行夹克等标志性风格。20 世纪 60 年代，越南战争促使美国国防部的生产合同需求大幅增加，公司因此得到迅猛发展。我们从紧张激烈的实战洗礼中收获了丰富的经验教训，这也推动了新的布料和制造工艺的技术进步。Alpha 不久后开始生产步兵夹克，包括在越南战争中声名鹊起的标志性 M-65 野战大衣。

在公司经营的早期，Alpha Industries 将多余的库存出售给大学军事组织，以及整个剩余用品市场。随着非政府客户和国际军事组织对广受欢迎的飞行夹克和野战大衣的需求越来越多，Alpha 品牌经历了强劲的增长。有些曾经在服役期间穿过 Alpha 夹克的退伍军人，十分怀念这个品牌，并开始从 Alpha 选购适合平民生活的衣物。此外，真正的“军规版”Alpha 夹克亦可通过国防部剩余物资销售处提供给消费者。

20 世纪 70 年代，商业消费者对适合日常穿着的高品质军用服装的需求进一步提高。Alpha Industries 随即开始生产专门针对民用市场的著名的 MA-1 飞行夹克和 M-65 野战大衣。颜色选择有所增加，而且 Alpha 标签开始使用三条横线取代真正政府军规版夹克上的一道实线。“三条横线”标签便于工厂的工人迅速区分哪些是商业销售版，哪些是国防部采购版。这“三条横线”迅速成为 Alpha 品牌的形象标志，至今仍然是我们品牌标志引以为傲的组成部分。

在整个 20 世纪 80 年代，军装风格的时尚潮流持续延烧。无论是国内还是全球，对于美国军服风时装的需求都大幅增加。Alpha 之所以能够取得巨大的商业成功，在很大程度上是因为我们在为美国军队制造原版外套时所掌握的专业知识。

如今，Alpha Industries 以其高品质军服风格外套而闻名于世。我们将继续生产承载着 Alpha 传统核心的经典军服，同时致力于在风格和功能上的现代化创新。无论是外套或大衣，有一点始终是毋庸置疑的，三条横线标签代表我们的卓越品质，这也是我们良好声誉的立足之本。



购物时间

查找您附近销售正品 Alpha 外套的经销商，或访问 Alpha 官方网站进行在线购物。



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Creating a global brand at Alpha Industries

At Alpha Industries, a manufacturer and e-retailer of military-inspired apparel, the company is growing international orders and getting steadily more proficient at cross-border sales, says e-commerce manager Stephanie Cohen.

Alpha Industries is a 57-year-old company that originally produced flight jackets, field jackets and parkas for various branches of the U.S. armed forces. Over time, Alpha developed a catalog and began selling directly to the public in the 1980s.

The company first developed a website in 1997 and began selling online internationally in 2006. Today Alpha Industries generates online sales of more than \$3 million with about 20% from international e-commerce. Alpha has built a customer base among young, urban males that like wearing “bomber-style” jackets. “We want to build ourselves up online and create a truly global brand,” Cohen says.

Alpha expands its global reach

To improve the efficiency of its international order processing, fulfillment and delivery, Alpha Industries partnered with UPS i-parcel. Alpha Industries sells 1,000 SKUs online at an average price of \$170. Alpha can accept orders and ship internationally to over 100 countries, but Canada is its primary international market, accounting for 26% of international sales.

On AlphaIndustries.com all product pricing, delivery fees and taxes are broken out in the shopping cart before an international customer presses the Buy button.

Prior to working with UPS i-parcel, Alpha struggled to calculate a fully landed cost at checkout. Previously a Canadian customer would only see the price of the jacket and the shipping costs but not the required duties or taxes.

The result was that online shoppers were shocked when they were asked to provide additional payment upon delivery. And that led to unsatisfied customers returning up to 20% of their international orders. "Customers would call us to complain that the final price wasn't the quoted cost in the cart, and they were surprised by having to pay extra when they got the package," Cohen says.

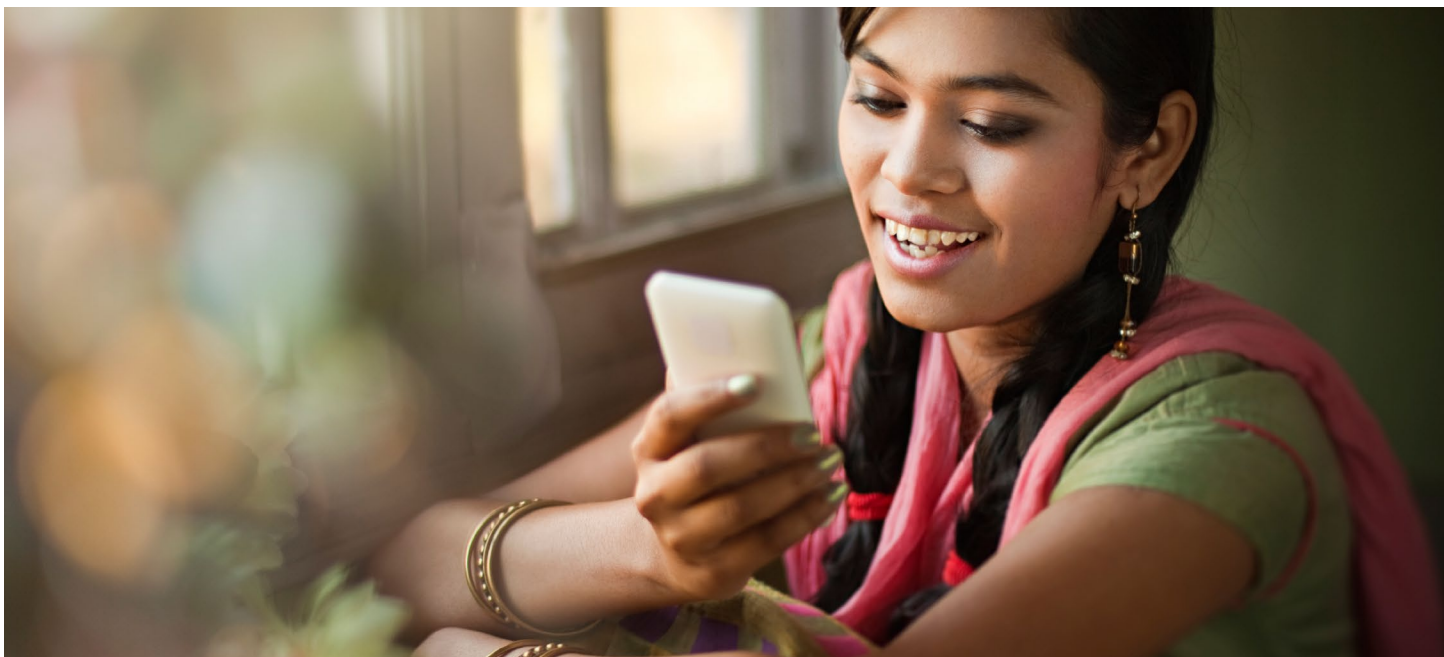
Transparency is critical for international order processing

Today international order processing and shipping is much more efficient, Cohen says. A feature offered through UPS i-parcel on AlphaIndustries.com breaks down all product pricing, delivery fees and taxes in the shopping cart before an international customer completes their order. UPS i-parcel collects and pays all taxes, fees and duties up front so there are no unpleasant surprises upon delivery.



In China, 7%, or 26.2 million, of its estimated audience of 375 million online shoppers are cross-border shoppers.

Source: U.S. Department of Commerce, 2015



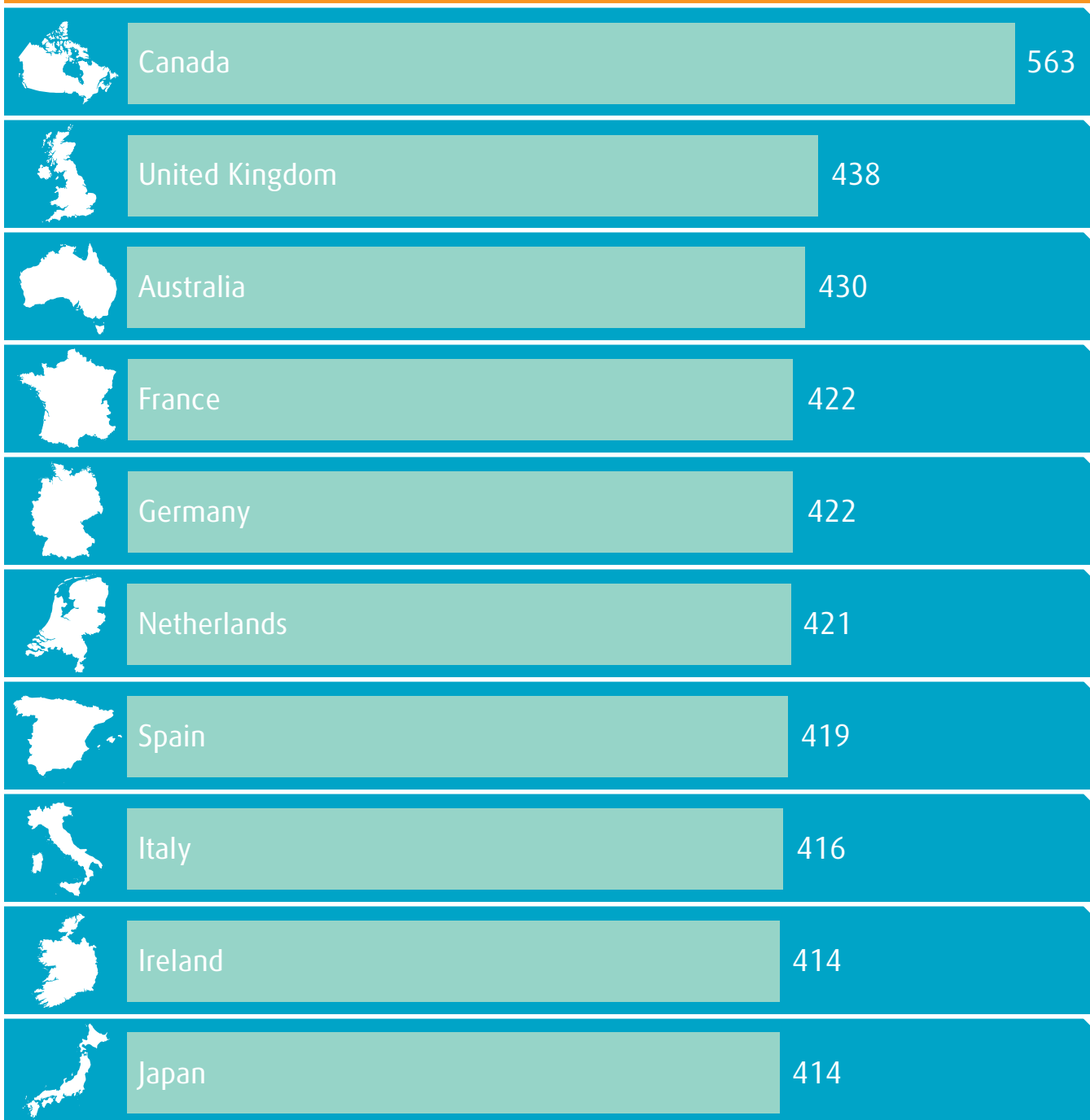


Shipping to the world's online shoppers

Nearly 60% of 2015 Internet Retailer Top 1000 web merchants ship orders to consumers overseas from their North American distribution centers or through dedicated facilities in local markets. Here's a breakdown of key metrics.

Top 10 countries

Top 1000 web merchants in North America ship to these top international destinations



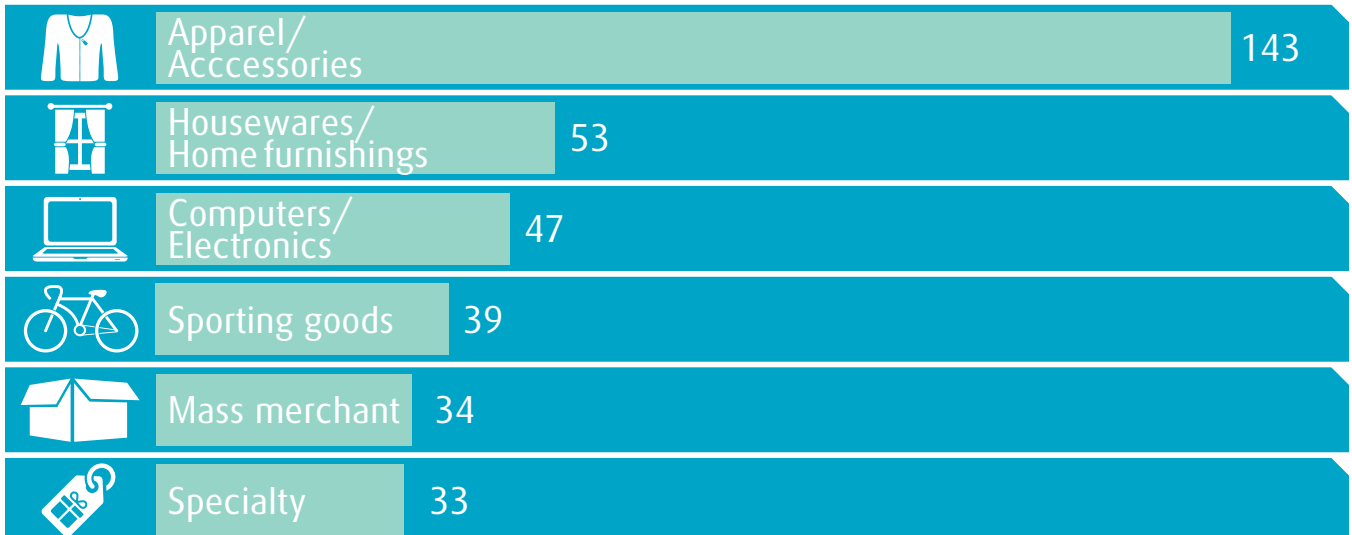
By region

Top 1000 web merchants in North America ship to these regions

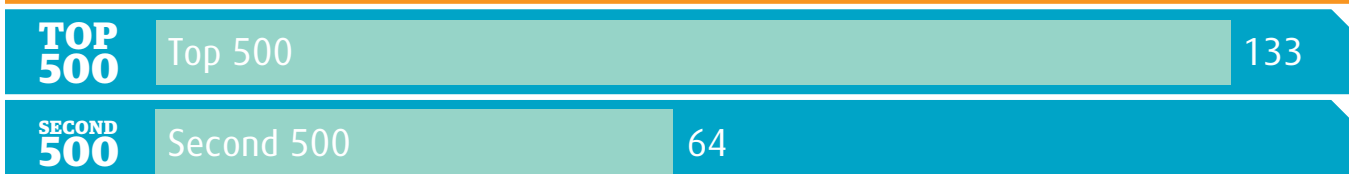


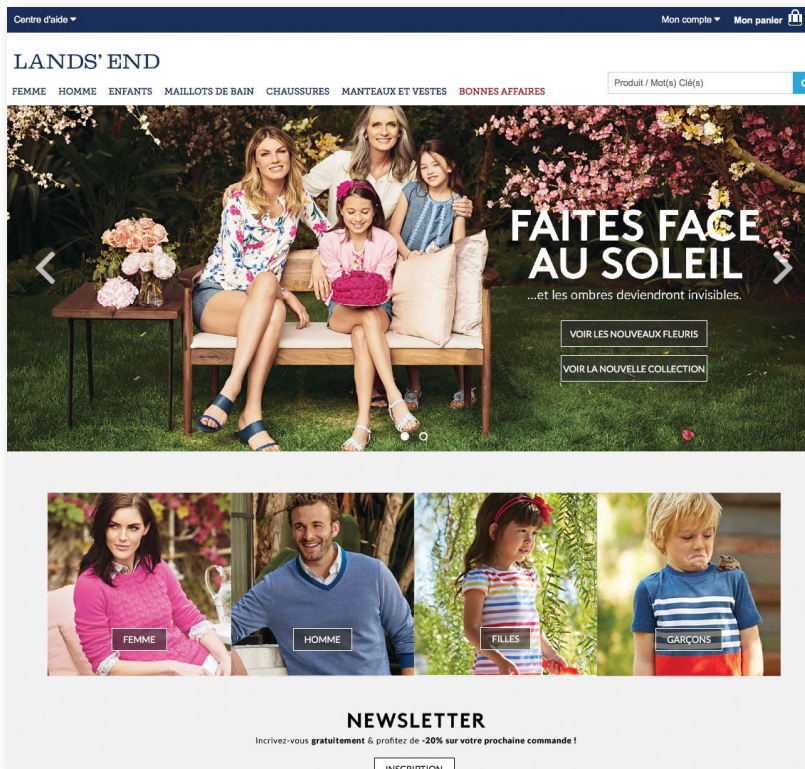
Top product categories

Top 1000 web merchants in North America ship more products from these categories



Merchants using a cross-border solution





With a more streamlined approach, the rate of returns from global shoppers has dropped by more than half and continues to drop. Most international shipments leave Alpha Industries' fulfillment center within two business days and upon receipt, UPS i-parcel delivers these orders within 5-8 business days.

Alpha Industries now takes in as many as 500 international orders per month, about double from a year ago. With UPS i-parcel technology enabled, Alpha Industries can provide fully landed cost at checkout to over 100 countries. Alpha Industries sees more growth ahead in international e-commerce sales.

For Lands' End Inc. the top international priority is developing country-specific websites with local content so that consumers in those markets can easily place orders, says chief marketing officer Steve Rado.

"The end result is we have happier international customers and a better way to establish ourselves as a global brand," Cohen says.

Making ordering easier at Lands' End

For Lands' End Inc. a top international priority is developing additional country-specific websites with local content so consumers in those markets can easily place orders, says chief marketing officer Steve Rado. Lands' End, which distributes products to more than 150 countries and territories, operates country-specific websites in the United Kingdom, France, Germany and Japan, as well as the United States.

Lands' End has creative teams for each country-specific website, including marketing copywriters, to ensure it is accurately communicating product and style information to its international customers. "It is important to address local market awareness, language, culture, currency and forms of payment," Rado says.

key 
takeaway

Lands' End uses a global e-commerce solution to enable a localized checkout. The technology also enables customers to manually choose the currency they would like to use when calculating the final price.

The right partner makes a difference at Ceramcor

Ceramcor, a manufacturer and online retailer of ceramic cookware has also chosen to use a third-party provider—UPS i-parcel—to become a better cross-border web merchant, says director of marketing and social media Patrick Bergstrom.

Web sales are a big part of Ceramcor's total business and e-commerce makes up about 98% of e-commerce revenue, Bergstrom says. Until late 2015 Ceramcor handled all international e-commerce operations in-house.

But managing cross-border transactions, especially complying with foreign requirements and tax collection, was a big challenge. Nor did Ceramcor find it easy to process orders, and get them delivered to buyers in a timely manner. Sometimes it could take several weeks for a customer in another country to receive an order, Bergstrom says. "We aren't delivery specialists," he says.

Before Ceramcor began using UPS i-parcel, handling international orders and figuring out the sales tax and duties for each country was a time-consuming process

The screenshot shows the Ceramcor website interface. At the top, there's a navigation bar with currency (HKD \$), language (繁體 ENG), and a shopping cart icon showing 0 items. The main banner features a large image of a red and white ceramic pot with the headline "除卻金屬煮食鍋具外 另類選擇" (Besides metal cookware, another choice) and "現提供消費者" (Currently providing consumers). Below the banner is a "熱賣推介" (Hot Sale Recommendation) section for a "26cm 全瓷煎鍋 (紅蓋)" priced at \$1,185.00. The main product grid lists various items:

- 1.2公升全瓷鍋: \$565.00
- 2.4公升全瓷鍋: \$725.00
- 3.3公升全瓷鍋: \$875.00
- 5.2公升全瓷鍋: \$1,265.00
- 1.2公升全瓷鍋 (紅蓋): \$1,095.00
- 3.7公升全瓷湯鍋: \$645.00
- 20cm 全瓷煎鍋: \$705.00
- 26cm 全瓷煎鍋: \$1,035.00
- 28厘米全瓷有蓋炒鍋: \$1,095.00
- 2.4公升全瓷鍋 (紅蓋): \$1,095.00

Cross-border e-commerce is a building business for Ceramcor, which carries an online inventory of about 100 SKUs, including skillets, woks, pots, pans and cookware sets.



“The new revenue can become very significant with a much higher gross margin.”

Philip Rooke, CEO, Spreadshirt.com

key  takeaway

key  takeaway

that required employees to manually look up individual rates. That process has been replaced by the UPS i-parcel solution. Now 95% of orders are processed immediately and delivered to customers in Asia, Europe and Latin America in within 5-to-8 business days on average.

Cross-border e-commerce is a growing category of business for Ceramcor, which carries an online inventory of about 100 SKUs, including skillets, woks, pots, pans and cookware sets. The company is currently processing about 150 international orders each month but gearing up over the next year to double that number, Bergstrom says. “We aren’t just testing the waters,” he says. “By partnering with UPS i-parcel, we can now concentrate more on areas like marketing and merchandising.”

Making a commitment at Spreadshirt.com

Online selling to customers in other countries takes time, energy, money and a willingness to dig deep and truly understand a local market, says Spreadshirt.com CEO Philip Rooke. But, he says, once a retailer makes the necessary initial investment, adding new markets becomes somewhat easier and the sales made generally become more profitable.



Spreadshirt.com is an online retailer of print-on-demand custom products such as T-shirts, hoodies and related products. Headquartered in Germany, the e-retailer last year generated web sales of about \$79 million.

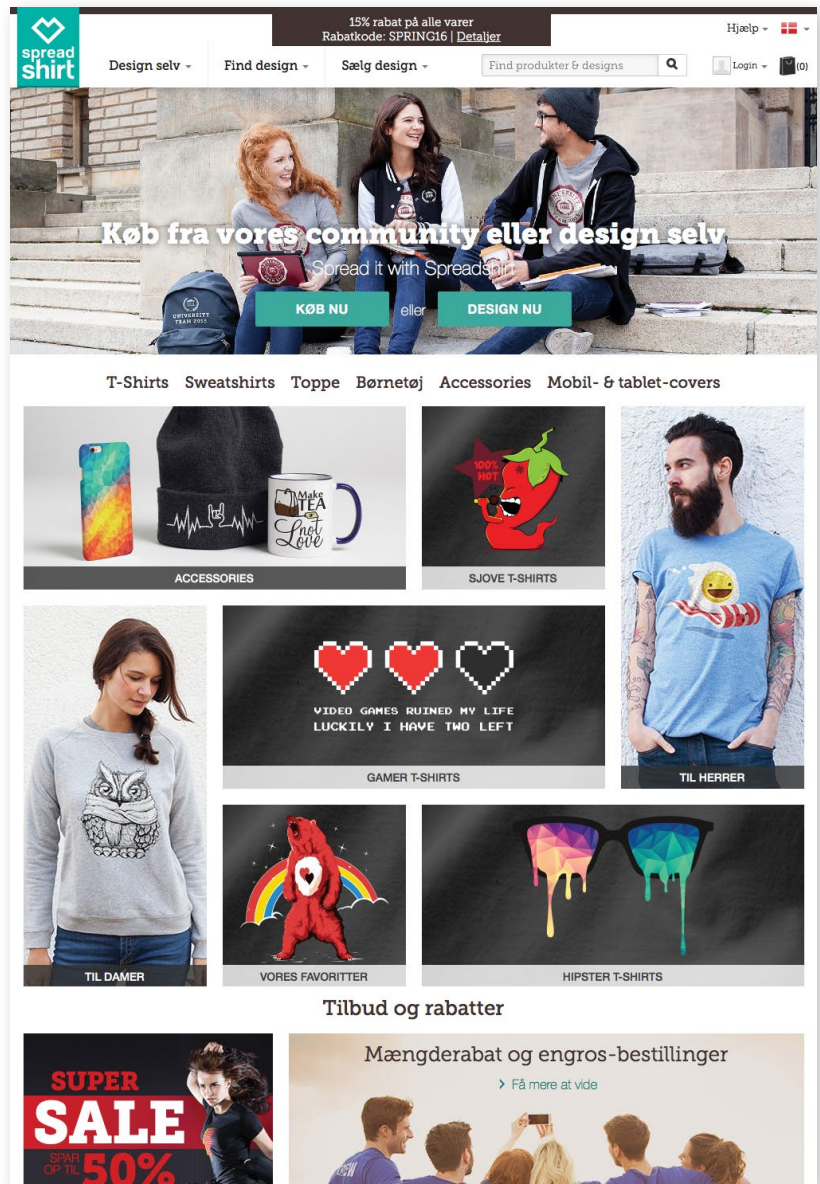
About 40% of all its sales come from the U.S. and Spreadshirt.com ships products to 170 countries from its U.S. distribution center.

Building that base to sell successfully online internationally required careful attention to detail. That included becoming knowledgeable about the taxes, fees and customs regulations in each country it ships to. For example, Spreadshirt.com sells to web shoppers in 19 different countries in Europe, each with its own set of sales tax collection rates and procedures. These were in line with a universal code for collecting value-added sales tax.

Shifting rules

Now that the company has a collection process in place, adding other countries isn't nearly as hard as starting from scratch. One of the fastest-growing markets for Spreadshirt.com is Australia, where the e-retailer launched a local site in 2014. Spreadshirt.com shipped 2,000 orders to Australia from its U.S. fulfillment hub in 2014, a number that skyrocketed to 11,000 orders in 2015.

But international rules keep changing. While U.S. web merchants have not previously had to collect sales taxes on



About 40% of all Spreadshirt.com's sales come from the U.S. and Spreadshirt.com ships products to 170 countries from its U.S. distribution center.



27% of the Top 500 web merchants in North America use a global e-commerce solution such as UPS i-parcel to enable global e-commerce sales.

Source: Top500Guide.com, 2015

web orders shipped to Australia, by the end of 2016 they will have to collect and remit the required taxes.

Despite what one might think, Spreadshirt.com didn't receive official government notice about the change. Instead, Rooke read about the new requirement in a blog. "We've learned you have to keep up on these local markets because change occurs and whether you are informed or not you are responsible for collection," he says.

Because Australia is among Spreadshirt.com's fastest-growing markets, it is intent on satisfying local customers, Rooke says. To that end, Spreadshirt.com is working with its international carriers, including UPS, and local distributors to launch a returns program later this year. "Our site needs to be local in every way and that includes having the ability to take returns," Rooke says.

Rooke says he can see where some web merchants in the U.S. may steer clear of cross-border e-commerce because of its complexity. But inside two years Spreadshirt.com expects to open at least eight more local web stores and to grow international web sales to \$250 million.

Spreadshirt.com sees plenty of room for growth online overseas. That's an observation LemonDrop Stop, Alpha Industries, Ceramcor.com and other merchants also share. All these merchants seek to build a successful cross-border e-commerce business using the right solutions partner to target opportunity—and key local markets. ■



Road map for success: Key takeaways



1. **Shoppers want a simple online experience.**

Localize online stores with language translation, currency conversion, duty and tax displayed at checkout, and offer international payment options.

2. **Online shoppers worldwide clearly aren't inhibited by cross-border e-commerce**, and many prefer buying direct from international websites, especially from merchants based in the U.S.

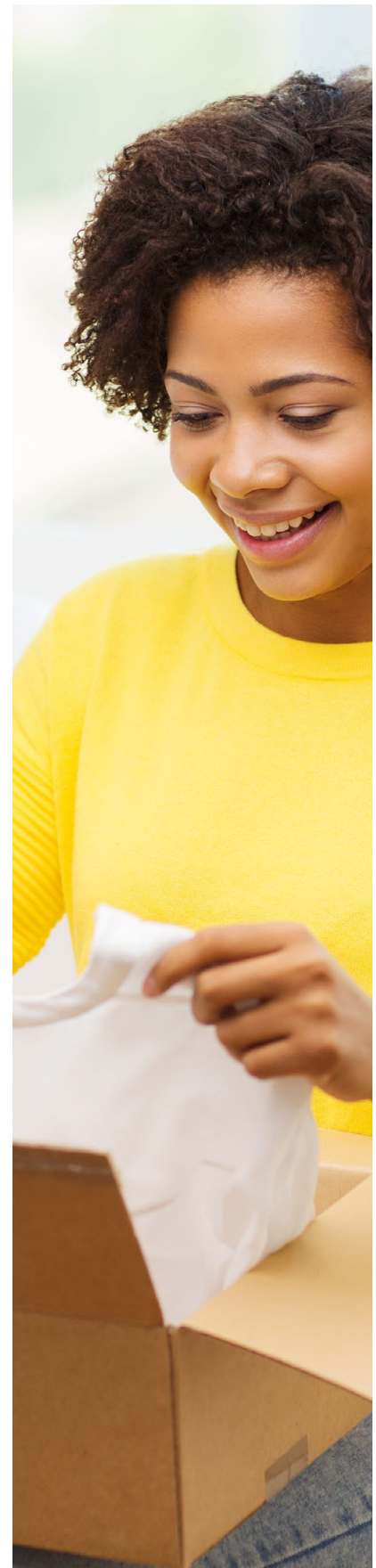
3. **Successful presentation of a website or product** in one market might look very different in another market.

4. **Show prices in local currency**, and only products that are sold in that market.

5. **Use local creative teams in each country** to accurately communicate product and style information, while taking into account language, culture, currency and payment forms.

6. **Partnering with a commercial service** such as UPS i-parcel allows a retailer to concentrate more on other areas, such as marketing and merchandising.

7. Successful cross-border e-commerce requires **serious research** and investigation to truly understand a local market.





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Consumers worldwide are looking to U.S. retailers for product selection, price and authenticity. The complexity of adapting your website for local currencies and global credit card transactions, as well as customs requirements, however, makes it difficult to expand internationally.

UPS i-parcel changes all that. Our cost-effective end-to-end solution allows you to easily adapt a localized look and feel on your website. The UPS i-parcel solution:

- Provides a fast, simplified set-up that lets you sell goods to international shoppers with minimal up-front cost
- Extends your e-commerce reach to more than 100 countries and over 70 currencies
- Manages payment collection, fraud risk and customs compliance
- Offers end-to-end tracking and returns support

Combining the latest in e-commerce technology with proven global logistics and shipping expertise, UPS i-parcel is your all-in-one solution for winning and satisfying more customers, no matter where those customers may be.

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