

Cross-border e-commerce is one of the fastest growth opportunities in retail, according to DHL report

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The report reveals that cross-border e-commerce offers aggregate growth rates not available in most other retail markets: cross-border retail volumes are predicted to increase at an annual average rate of 25% between 2015 and 2020 (from USD 300 Billion to USD 900 Billion) - twice the pace of domestic e-commerce growth. Online retailers are also boosting sales by 10-15% on average simply by extending their offering to international customers. An additional boost comes from including a premium service offering: retailers and manufacturers that incorporated a faster shipping option into their online stores grew 1.6 times faster on average than other players.

"Shipping cross-border is much, much easier

than many retailers believe, and we see every day the positive impact that selling to international markets can have on our customers' business growth," said **Ken Allen**, CEO, DHL Express. "We also see that virtually every product category has the potential to upgrade to premium, both by developing higher quality luxury editions and by offering superior levels of service quality to meet the demands of less price-sensitive customers. The opportunity to 'go global' and 'go premium' is there for many retailers in all markets. Our global door-to-door time definite network is perfectly positioned to support any retailer that is developing a premium service offering or simply looking for a way of reaching new overseas markets directly without investing resources in warehousing or distribution."

The report is based primarily on research and in-depth interviews conducted by a leading global management consultancy, as well as more than 1,800 responses to a proprietary exporter survey of retailers and manufacturers in six countries. It casts a light on the evolving face of e-commerce, with both supply and demand becoming more sophisticated. Manufacturers are increasingly taking advantage of e-commerce to move to direct retail models - bypassing the 'middleman' and offering their products online to the end customer - and expect to grow 30% faster in cross-border e-commerce than other retailer groups. Customers in many markets are also becoming more discerning,

citing product availability and trust, as well as attractive offers, as the motivating factors for shopping with overseas online retailers.

The main challenges highlighted by consumers to cross-border purchases relate to logistics, trust, price and customer experience. At the same time, online retailers can take a number of relatively easy steps to identify, cultivate and service demand from abroad. The report noted that the e-commerce trend has given birth to a new eco-system of facilitators and off-the-shelf solutions (such as payment providers and

programs that localize a website's check-out experience for the visitor), helping retailers to adapt their offering to the digital world and to transact with customers in foreign markets. Global logistics partners can provide support in identifying the right trade-off between centralized and local warehousing and fulfillment, while fast, reliable and flexible delivery options can be an important tool in turning speculative interest into long-term customer loyalty.

Source: [Deutsche Post DHL](#)