**How can you find a reliable logistics provider?**

Logistics has played a key role in e-commerce, which has grown at record rates in recent years, especially in terms of marketing, supply chain management, and the order fulfillment process.

Therefore, it is critical to work with a reliable logistics partner who is efficient, friendly, and safe in all areas of transportation management.

An expert logistics partner will help you to optimize your business, giving you opportunities to expand into new markets.

In this way, you can also focus on developing your business and on reducing risks and costs with your provider’s best solutions for transportation, storage, distribution, shipping, and receiving.

Choosing the most suitable logistics company is no easy task, and you will come across various types of logistics businesses, each of which has their own expertise and extensive knowledge.

Many factors need to be considered before deciding on the right partner.

But what are they?

We put the question to Eli Koretsky, our expert in Chinese logistics and e-commerce. He recommends the following objectives for sellers seeking the right logistics partner.

1. Create a healthy atmosphere of cooperation based on transparency and mutual trust by signing simple, clear, and legally binding contracts.

2. Request that logistics companies provide tracking numbers for recent orders, showing more details of their relevant shipping channels.

3. Ask the end customer, on receipt of their parcel, to complete a review of the logistics provider.

4. Seek advice from companies and customers who have already worked with the same logistics company.

5. Do research on its services to determine its credibility.

6. Check which steps of the logistics chain the provider actually covers. Does the company process returns, if necessary? Does it cover flights and customs, or just last-mile delivery? It is important to make sure your whole supply chain is covered, preferably keeping the number of intermediaries (middlemen) involved to a minimum to avoid miscommunication delays and parcels falling between the cracks.

Eli Koretsky hopes he can help you with some tips about the importance of finding a reliable logistics provider.

For more from our expert click here

“CROSS-BORDER” commerce faces many tough challenges, related to logistical, marketing, and language gaps, cultural factors, payment methods, and so on. It is a fast-paced, ever-changing environment which requires the ability to adapt quickly. However, it is important to understand that cross-border selling is no longer a choice; in recent years, it has become a requirement for many sellers, rather than a luxury for the big players. This is why we have created a one-of-a-kind series of emails that will briefly review the various cross-border regions and countries with their distinct consumer preferences, as well as other important tips that every seller should be aware of before venturing into cross-border territories. So let’s get started!

“**The Industry Express” – Global e-Commerce Market at a Glance:**

**United States**

**Online retail sales in the United States are expected to reach $ 563.4 billion by 2025.**

**The United States is a mature market, and growth is expected to slow in the coming years. However, the United States continues to lead the Western world in e-commerce sales. The country’s large market size, advanced technologies, purchasing power, and abiding love of online shopping make it an e-commerce hotspot for online sellers. Thinking that is maturing.**

In 2021, total retail sales in the United States reached $4.55 trillion.

According to a Digital Commerce 360 analysis of Commerce Department data, total retail sales through all channels reached an all-time high of $4.55 trillion in 2021, with a 14.0% year-over-year increase, up from $3.99 trillion in 2020. This year-over-year jump was nearly double the 7.2% growth in overall spending registered in 2020.

(<https://www.digitalcommerce360.com/article/us-ecommerce-sales/> )

In 2021, revenue from e-commerce in the United States was around $768 billion. According to Statista’s Digital Market Outlook, online shopping revenue in the United States will exceed 1.3 trillion dollars by 2025.

(<https://www.statista.com/statistics/272391/us-retail-e-commerce-sales-forecast/> )

Opportunities and trends:

School season: Sales of apparel, school supplies, and dormitory decorations↑

In the upcoming fall school season, which runs from mid-July to early September, apparel sales in the U.S. are expected to increase 78% compared to last year. Total back-to-school spending is expected to increase 5.5% year-over-year, taking into account school supplies, clothing, and college dorm decor.

Home appliances, computers, home theater: hot-selling

Best Buy USA reported a 37.2% increase in online sales for the first quarter, with sales growth in nearly all categories, especially home theater, computers, and appliances.

Forecast: At a time when people are placing more emphasis on the importance of the home, there is increased demand among consumers for home and kitchen appliances.

This demand is driven by continued focus on the home, which encompasses many aspects of consumer life, including working, learning, cooking, entertaining, redecorating, and remodeling. The boost in customer demand has also been influenced by government stimulus programs and a strong housing environment.

Travel and dining expenses will increase

In the wake of the last COVID-19 wave, consumers are spending more than ever in other areas such as travel and dining out.

In Europe and the United States, outdoor products are now in high demand. Some outdoor product factories have reported that consumer spending on outdoor products in Europe and the United States has recovered too quickly, which has led to a rise in the price of raw materials. Even so, such products have good sales forecasts for the near future.

Shopping trends among millennials

Best Buy’s largest shopping group consists of millennials (those born between 1981 and 1996), and the total customer growth rate for this group is about 50% higher than the pre-coronavirus pandemic level. However, the profile of this consumer population looks different: a little younger, more often female, and with slightly lower incomes.

**Australia**

**According to a new report, Australians are among the world’s top e-commerce spenders, with each consumer spending more than $2,700 per year on digital shopping platforms.**

**Approximately half of all Australian internet users aged between 16 and 64 years admitted to purchasing something online at least once a week, yet Australia ranked below the global average for habitual online shoppers.**

**As you can tell, there is a lot to learn about the Australian e-commerce market…**

Millennials love discounts!

According to PayPal’s 2021 eCommerce Trends Report, millennials are the largest “Buy Now Pay Later” (BNPL) spenders in Australia, purchasing an average number of 2.7 BNPL transactions a month. When it comes to online sales events like Boxing Day or Black Friday, the percentage of Australians who have used or would consider using BNPL jumps dramatically to 64%.

The report also shows that young Australians are getting smarter about saving money: not only do they look for discounts when shopping, they are also more likely than mature consumers to return an item after buying it at full price, only to repurchase it at a lower price when it goes on sale. Overall, 50% of Australian shoppers say they dislike paying full price.

Even when buying in-store, two out of five Australians (40%) admit to checking online prices on their mobile phones to ensure they are getting the best deal.

The study further found that while more Australians prefer to shop in-store (55%), the scales are shifting, with a considerable number of consumers choosing to shop online (51%). Younger shoppers are more likely to buy goods online, with millennials leading the way (70%).

Impulse buying

More than a third of younger shoppers (34% of millennials and 33% of Generation Z) admit to regretting a sales-driven purchase after making it. Overall, younger Australian consumers are more likely to find the best discounts when shopping online and are also prone to impulse spending because of deals.

(<https://www.paypal.com/au/business/enterprise/ecommercetrends2021> )

**Austria**

**As a result of rising mobile commerce and high levels of cross-border spending, Austria’s e-commerce culture is evolving.**

**Let’s delve a little deeper into Austria’s e-commerce market to see who’s competing with whom and what’s on the line.**

42% of Austrians shop online at least once a week

In 2020, the country’s GDP per capita ranked 17th in the world at $48,105.36, and Austria’s rapid e-commerce development makes it a market worth exploring.

Online shopping is becoming increasingly popular in Austria, and the pandemic has accelerated this trend. According to a survey of 3,500 Austrians over the age of 18 conducted by Mastercard Austria, 85% of Austrian consumers now shop online at least once a month, while 42% report making an online purchase at least once a week. 71% of consumers stated that they have significantly increased their online shopping frequency since the outbreak.

Electrical goods are the most popular type of product sold online in Austria, with 62% of consumers making such purchases. Fashion and clothing (61%) are the most popular product categories, followed by books, board games, and toys (58%).

In addition, the survey shows that Austrian consumers spend an average of $2,000 per year online and that, overall, Austrian men are more likely to shop online than women, with high-income households shopping online more frequently than low-income households.

Fast-growing categories: food, personal care, furniture, and household appliances

(<https://ecommercenews.eu/42-of-austrians-shop-online-at-least-every-week/> )

E-commerce transactions in Austria grew by 18% to reach €9.1 billion in 2020. Food and personal care products represented the fastest growth categories, followed by furniture and household appliances. The top e-commerce merchant segment was fashion, with a market size of $6 billion.

The mobile commerce market in Austria is worth €0.7 billion. At the moment, only 7.8% of e-commerce transactions are conducted on mobile devices. Although this is a low starting point, mobile shopping is rapidly growing. An estimated 1.3 million Austrians now use their smartphone for online shopping, a 17% year-on-year increase.

In short, the Austrian e-commerce market still has potential to become a key driver of the country’s economic growth; merchants can choose the right products to seize the Austrian e-commerce market according to Austrian consumer habits.

(<https://www.jpmorgan.com/merchant-services/insights/reports/austria>)

**Argentina**

**90% of connected Argentine adults (18.3 million people) have made at least one online purchase. Argentina’s e-commerce grew by 124% in 2020, following a 76% increase in 2019, and growth in 2021 is also expected to be high, in part owing to the prolonged store closures imposed by the COVID-19 pandemic. Credit cards were used to make 78% of total sales.**

**Let’s delve a little deeper into Argentina’s e-commerce market to determine who and what matters.**

**([https://www.trade.gov/country-commercial-guides/argentina-ecommerce#:~:text=E%2Dcommerce%20in%20Argentina%20grew,were%20made%20by%20credit%20card](https://www.trade.gov/country-commercial-guides/argentina-ecommerce" \l ":~:text=E%2Dcommerce%20in%20Argentina%20grew,were%20made%20by%20credit%20card))**

E-commerce has grown tenfold in Argentina over the past two decades, and the COVID-19 pandemic, in particular, has sent e-commerce sales soaring, with Argentina now recording 1.3 million online shoppers.

Demand for household products, food, apparel, sports equipment, health and beauty products, and office and computer supplies grew strongly over the past year. Of particular note is the significant growth in demand for arts and crafts materials, with more and more customers collecting this type of package at pickup points. The pickup point approach reduces shipping costs and involves both sellers and buyers, rather than leaving buyers at home waiting for delivery.

Different studies agree that consumer delivery expectations are changing, and the pickup option is gaining support and acceptance. Indeed, this delivery method is expected to become more common in the coming years. This trend will certainly be consolidated in Argentina as well.

The year 2020 saw a dramatic shift in the way Argentines shop, with online shopping growing by 106%, bringing greater competition, challenges, and constant change. With the growing popularity of this type of shopping, e-commerce is now shaped by new logistical parameters, such as increased expectations for fast delivery times, real-time tracking, free and easy returns, and websites optimized for purchases made via mobile devices. Successfully addressing these e-commerce challenges and developing strategies to overcome them is important to remain competitive in the marketplace.

**Indonesia**

With a population of 273.5 million people, Indonesia is considered one of the most promising Southeast Asian e-commerce markets in the world, mainly due to the younger generation driving online shopping as a more convenient and affordable way to shop.

**Let's delve a little deeper into Indonesia’s e-commerce market to determine who and what matters.**

The country’s large and small cross-border e-commerce platforms are also driving enthusiasm for online spending through online cashback payments, further accelerating the popularity of e-commerce. Indonesia, with its huge population base, holds great market potential.

During the COVID-19 pandemic, e-commerce experienced a 23% increase in transactions, with a projected $32 billion in gross merchandise value (GMV). Total online market sales in Indonesia reached $44 billion in 2020, with the e-commerce sector accounting for 72% of total digital economy value.

Indonesia has the largest digital economy: roughly 40% of the total regional market share. It is home to ‘unicorns’ such as Gojek (ride-hailing), Tokopedia (e-commerce), Bukalapak (e-commerce), and OVO (digital payment), among others, who are resolutely spearheading the country’s digitalization and have attracted investors from all over the world, particularly large tech companies wanting to gain traction in the region.

However, great opportunities bring great CHALLENGES.

Despite its enormous potential, the industry faces several challenges.

1. First, in comparison to neighboring countries, internet penetration in Indonesia remains low. While a commercial 5G network has been launched in a few urban areas, many islands and rural areas have limited internet access or none at all. According to village potential data collected by Statistics Indonesia (BPS), approximately 12,000 villages in 2018 had yet to be covered by the internet, and even those that were covered experienced frequent connection glitches.
2. Second, improving logistics infrastructure continues to be a challenge in a country with approximately 17,000 islands and a vast sea area, with “too few roads and systems, and too many ships, cars” (The Economist, 2016).
3. Third, the quality of Indonesia’s workforce is fundamentally insufficient to meet the demands of its digital industry. Approximately 87% of the workforce has only completed primary and secondary school education. The majority work in agriculture and trade and have limited digital literacy.
4. According to the August 2020 BPS (Statistics Indonesia) survey, of Indonesia’s 138.2 million workforce, 56% (77.4 million) had only completed junior high school, 32% (44.2 million) had attained senior secondary education, and only 13% (18 million) had obtained degrees (academy/university education). There is consequently a huge lack of qualified human resources in the country, leading many tech companies to hire foreign workers to fill the gap.
5. In comparison to other Association of Southeast Asian Nations (ASEAN countries), Indonesia’s non-cash payments are still relatively underdeveloped. According to Bank Indonesia, the number of unbanked people in 2020 was estimated to be 91.3 million (67%). In the same year, 66% of e-commerce transactions were made in cash. However, as people avoided using cash during the pandemic, there was a boost in electronic payment systems in the country.
6. Another barrier to the development of e-commerce in the country is regulatory uncertainty. While the government has stated its intention to reform, changing certain inward-looking policies will be difficult. Therefore, the regulatory regime is expected to remain unpredictable.

To summarize, some argue that Indonesia offers the biggest opportunity in SEA e-commerce markets, with the highest projections (120 billion e-commerce GMV by 2025), as more and more “big players” use online market platforms to expand their market base. This points to increased competition in the country’s digital economy. The recent merger of Gojek and Tokopedia demonstrates how big startups are planning to dominate Indonesia’s lucrative but turbulent market. At the same time, it appears that the government is attempting to strike a balance between regulating and facilitating the development of the sector.

**The UK’s e-commerce market 丨Opportunities and choices just around the corner**

**The UK’s e-commerce market 2022–2025: Episode 1**

The coronavirus pandemic saw an extraordinary surge in e-commerce exports around the world between 2019 and 2021, but online shopping is here to stay – it was not just a passing trend. Indeed, cross-border e-commerce sellers can now take advantage of even more opportunities than before, including the UK market, which is particularly worthy of attention. However, the multi-vendor e-commerce logistics chain, Exelot, has recently found that cross-border selling into the UK is still plagued by export problems, especially for those sellers who have just entered the UK market.

How bright is the future for the UK e-commerce market? What should cross-border sellers do to prepare for the big VAT reform? In view of the new EU VAT rules, which came into effect on January 1, 2022, how will the UK market continue to operate?

Looking ahead to the period 2022**–**2025, what opportunities does the booming UK market pose? What are the best viable options?

Cross-border seller friends want to understand the market landscape more thoroughly. **Here we focus on analyzing the opportunities and options open to the UK market.**

When the UK government ordered the closure of all non-essential retail stores in mid-2020, and again in 2021, as part of the strict national lockdowns, UK consumers who wanted to buy anything other than groceries or medicines could only do so online.

Even when high street shops reopened, the situation was far from normal: social distancing measures meant that queues were commonplace and there was limited foot traffic. In-store mask-wearing was strictly enforced. Much of the population continued to stay at home, and many avoided shopping in physical stores altogether for the sake of caution. It is no surprise, then, that the popularity of retail e-commerce soared in 2020.

UK consumers are forecast to spend £141.33 billion on internet shopping in 2021 ($192.12 billion). E-commerce sales accounted for 36% of the total retail sales in the UK in November 2020. In 2020, 87% of UK consumers made online purchases, up from 78% in 2018, while clothing was the most popular online purchase category in the UK, with a 64% online purchase reach among UK shoppers.

([https://cybercrew.uk/blog/uk-online-shoppingstatistics/#:~:text=Customers%20in%20the%20UK%20are,billion%20British%20Pounds%20in%202019](https://cybercrew.uk/blog/uk-online-shoppingstatistics/" \l ":~:text=Customers%20in%20the%20UK%20are,billion%20British%20Pounds%20in%202019). )

The UK has a long-tail economy. In 2020, the UK in-bound parcel volume soared; Royal Mail released data for the fiscal year 2020-2021 showing that its revenue rose 9.8% during the reporting period, mainly benefiting from the rapid growth of the UK domestic postal service and the international GLS parcels business.

Jessica Zhou, EXELOT’s Business Development and Sales Director in China, said that the growth in annual parcel volume is a good indication of the degree of consumer demand, and most interestingly the conversion rate of e-commerce users in the UK is second only to Germany and the U.S.

According to Growcode, Germany leads with an average conversion rate of 2.22%, while Italy lags with 0.99%. Typical e-commerce conversion rates by country: Germany: 2.22%; US: 1.96%; UK: 1.88%. This is a very high conversion rate globally, indicating a high level of customer stickiness in the UK, outpacing Asian and South American markets (as well as most other European markets).

According to eMarketer’s data analysis, user penetration in the UK will reach 86.2% in 2021 and is expected to reach 89.6% by 2025, while the average revenue per user (ARPU) will amount to £1,372.82, which strongly suggests that the e-commerce market will drive the spending power of UK users over the coming years.

To do well in the British market, we must first understand the buying habits and needs of UK consumers

Let’s start with the demographic composition of the UK.

The median age of the UK population is 40.5 years, with females making up a slightly higher percentage of the total population (50.6.%).

Before the pandemic, the localized buying needs and habits of UK consumers were very strong and difficult to change, but we can now see a change in the market balance, along with diversification of foreign consumers’ buying habits.

Jessica Zhou, Sales Director of EXELOT in China said that seller friends, especially new sellers in the category selection, can be made from two perspectives: positive and negative. From a positive perspective, we can study the reality of China’s exports to the UK. For example, from 2019 to 2021, the top three product categories of cross-border e-commerce exports to the UK from China were wigs, women’s clothing, and jewelry; these are the goods that consumers most wanted to buy from Chinese merchants.

On the other hand, we can take a closer look at what consumers in the UK are buying in general. According to Statista, 55% of the UK population shops online, and the most popular items purchased online fall into the categories of clothing and sporting goods. The least popular services and products for online consumers are bicycles, mopeds, cars, or other parts and accessories, with less than 10% of households choosing to buy such goods online.

Judging by current consumer behavior, the categories of outdoor sports, special apparel, watches, shoes and boots, underwear, beauty, health (driven by prevention), mother and child, and accessories are likely to experience high growth in online sales, presenting interesting opportunities for seller partnerships.

In terms of clothing and shoes, British online consumers in 2021 purchased dresses, trench coats, leather jackets, rain boots, canvas shoes, scarves, and blazers. Keyword search volumes reveal the popularity of accessories featuring pearl elements, oversized items, printed designs, striped fabrics, leopard print, navy blue, etc.

Therefore, with regard to independent sites or platforms for cross-border merchants, it is advisable to set more relevant keywords to accurately target consumers’ buying preferences and market goods.

These are some of the major opportunities and hot category trends in the UK e-commerce market, which offers great prospects for growth.

**UK Operation Guide丨****How can you create a pleasant cross-border shopping experience for consumers? UK case study: Episode 2**

The coronavirus pandemic saw an extraordinary surge in e-commerce exports around the world between 2019 and 2021, but online shopping is here to stay – it was not just a passing trend. Indeed, cross-border e-commerce sellers can now take advantage of even more opportunities than before, including the UK market, which is particularly worthy of attention. However, the multi-vendor e-commerce logistics chain, Exelot, has recently found that cross-border selling into the UK is still plagued by export problems, especially for those sellers who have just entered the UK market.

How bright is the future for the UK e-commerce market? What should cross-border sellers do to prepare for the big VAT reform? In view of the new EU VAT rules, which came into effect on January 1, 2022, how will the UK market continue to operate?

Looking ahead to the period 2022-2025, this article will give you essential tips on **how to create a pleasant cross-border shopping experience for consumers. Let’s get started!**

01

Good value for money: Price is a major concern for UK consumers. About 81% of UK online shoppers will go to Amazon (Amazon) to compare prices, hoping to find the best value for money.

02

No lost items or wrong deliveries: The rate of lost items in the UK is not low. Although Royal Mail (Royal Mail) is inexpensive, delivery speed is slow, and the rate of lost items is moderate. To ensure receipt of orders, many consumers choose the “signature on delivery” service, but this option requires consumers to make sure they are home at the scheduled delivery time or to pick up the items themselves from a collection point.

03

Real-time tracking: Perhaps because of the lack of security due to frequently lost items, UK consumers are keen to track the logistics information of their orders. Many local courier prices are cheap, but the courier process is also unusually slow to update. During the pandemic, in particular, customers often complained that their package got stuck at one point and did not move for several days, and the customer service response was very slow or even simply non-responsive

04

The Adyen study shows that 58% of UK consumers choose brands that deliver quickly, and 54% of consumers consider the logistics partner of an e-commerce company to be an important factor in their shopping choices.

05

Specified delivery locations: UK consumers not only enjoy online shopping, but they also like to make their purchases with peace of mind. In terms of logistics, they prefer merchants who can provide fast delivery services and deliver to specified locations to minimize the risk of their package getting lost.

06

Easy returns: The high demand and expectations of UK online consumers regarding logistics are not only reflected in the delivery of goods, but also in the efficiency of returns. In the event of delayed delivery or lost packages, even the British, who are known for being especially polite, will not hesitate to return goods or even complain about the merchant.

07

Efficiency: Efficiency refers not only to efficient transportation but also to the efficiency with which goods are delivered to the consumer who has requested the signature on delivery option. If the UK consumer is absent from home or does not open the door at the appointed delivery time, after receiving the notification by SMS + phone + mail, the courier will leave after a maximum wait of one minute, taking the parcel with them rather than leaving it on the doorstop. In this case, the only choice for the consumer is to re-book the delivery time, but there may be a risk of the same thing happening again. For example, a person who is not very mobile might not get down the stairs in time when they hear the doorbell, which causes frustration.

Summary:

As e-commerce becomes more and more popular, the demand of UK consumers for logistics solutions is also increasing, along with expectations of faster delivery speed with guarantees that orders will not get lost. Therefore, the question of how to strike a balance between delivery efficiency and overcoming the risk of lost items has become a difficult problem for merchants and consumers.

**UK Operation Guide丨Check the logistics delivery and payment preferences of UK consumers: Episode 3**

The coronavirus pandemic saw an extraordinary surge in e-commerce exports around the world between 2019 and 2021, but online shopping is here to stay – it was not just a passing trend. Indeed, cross-border e-commerce sellers can now take advantage of even more opportunities than before, including the UK market, which is particularly worthy of attention. However, the multi-vendor e-commerce logistics chain, Exelot, has recently found that cross-border selling into the UK is still plagued by export problems, especially for those sellers who have just entered the UK market.

How bright is the future for the UK e-commerce market? What should cross-border sellers do to prepare for the big VAT reform? In view of the new EU VAT rules, which came into effect on January 1, 2022, how will the UK market continue to operate?

This article focuses on UK consumers’ payment habits, logistics preferences, and mobile buying trends.

Common payment methods in the UK

In 2019, PayPal was the most common online payment method in the UK. According to the results of Attest’s 2019 survey, 49% of shoppers used their PayPal accounts to pay for their online purchases, while 37% preferred to pay with a credit or debit card.

A preference for receiving goods at home

In terms of logistical options, UK consumers are more likely to have their parcels delivered to their homes, followed by postal delivery to their mailboxes or multi-person mailboxes, followed by delivery to their workplace. Among innovative delivery methods, UK consumers have the most confidence in unattended delivery processes (where customers collect their packages from designated pickup points).

Amazon’s new online features – Extended delivery time for sellers

Amazon UK recently introduced a new feature for sellers – “holiday settings” – whereby public holidays are not counted as working days and therefore not counted in the shipping and delivery time. In other words, if a delivery date coincides with a public holiday, sellers can postpone the shipment until the next business day.

45% consumer preference for “next-day delivery”

Recent research carried out by Brightpearl, a UK-based e-commerce cloud software provider, and Parcelhub, a logistics platform, shows that UK consumers are more likely to shop with retailers that offer “next-day delivery” and free shipping.

Indeed, 45% of British consumers choose sellers who offer “next day delivery” and 11% even explicitly say they want their orders delivered for free on the same or next day.

In the absence of such a service, Brits prefer to order items with the promise of free delivery or free two-day shipping, with more than one in five (22%) requesting the “two-day delivery and pickup” option.

Preferences for free shipping

In the Brightpearl and Parcelhub survey, 58% of British consumers said they would not only be willing to wait longer to receive their goods if the merchant offered free delivery, but they would also spend more money on their website, and 40% of consumers would be prepared to wait a week in order to benefit from free delivery.

Full traceability of logistics

When it comes to logistics and delivery, most UK consumers want to be kept updated on the entire delivery progress, from shipping and receiving items to returns. Furthermore, they have strict requirements for on-time delivery. If the shipping email says the item will be delivered at 9 a.m. and the buyer does not receive the item until 5 p.m., they are likely to tweet about the merchant who shipped it.

Most people use their mobile device for shopping

In the UK, most e-commerce consumers make purchases using their mobile devices. The year 2020 saw the biggest annual growth spurt by far in mobile shopping, with consumers spending a total of 82 billion hours on shopping apps – a 30% increase compared to 2019.

The popularity of online shopping applications in the UK skyrocketed, including Amazon, up 55% year-over-year, Tesco Groceries, up 150% year-over-year, and SHEIN, up 490% year-over-year.

More and more shoppers are using their mobile devices to complete many tasks, including checking emails and paying bills. Shopping with smartphones in the UK has become more convenient, and the shopping experience today is more enjoyable and straightforward, especially when using the “buy now” button on shopping apps and social media platforms.

(<https://www.parcelhub.co.uk/blog/34-of-merchants-surveyed-do-not-offer-next-day-delivery/> )

As many as 59% of consumers surveyed by Google said that the possibility of using a mobile device for making online purchases is critical when deciding which brand to buy or which retailer to choose. According to Statista, mobile commerce will surpass other digital businesses by 2021.

(<https://www.thinkwithgoogle.com/consumer-insights/consumer-trends/mobile-shopping-brand-decision-statistics/> )

Therefore, in the face of the hot British e-commerce market, the wealth of opportunity for cross-border e-commerce sellers is obvious, and it is clear from British consumer habits that they attach great importance to logistics and transport services, especially in terms of speedy arrival and last-mile delivery. Thus, the choice of an efficient and professional logistics channel is also a key point in encouraging British consumers to repurchase.

**UK Operation Guide丨VAT reform! How do cross-border merchants operate? Episode 4**

For sellers who want to enter the UK cross-border e-commerce market, the information presented here provides some clarification on trade policy and tax issues. In what follows, details of specific changes in this area are given.

The transition period for the UK to “leave the EU” began in January 2019, and the end of the transition period came in January 2020. With the completion of Brexit, the UK left the jurisdiction of the EU, which means that EU distance selling regulations no longer apply.

Sellers can continue to use UK EORI numbers starting with the letters GB (an EORI number – which stands for an Economic Operator Registration and Identification Number – is a unique ID code used to track and register customs information in the EU) to export goods to the UK, but EORI numbers from EU countries will no longer be applicable for local customs clearance of goods in the UK, and the flow of goods from the EU to the UK for storage will require both an EORI number starting with GB and a local UK VAT number.

UK sellers on importing goods – Changes in VAT regulations

On January 1, 2021, at the end of the Brexit transition period, the UK government introduced a new border operating model for the VAT treatment of goods entering the UK, to ensure that goods from EU and non-EU countries are treated in the same way, so that UK businesses are not adversely affected by VAT reductions on imported goods. The new arrangements were intended to improve the efficiency of VAT collection on imported goods, while addressing the problem of sellers outside the UK failing to pay the full amount of VAT on sales of goods already in the UK at the point of sale.

Summary of changes

1. Removal of low value consignment relief (LVCR). Before Brexit, this VAT relief applied to consignments of £15 or less. Now that this has been withdrawn, low-value goods are also subject to import VAT.

2. The point at which VAT is levied on imported goods not exceeding a value of £135 has been shifted from the point of import to the point of sale. This means that goods with a value below £135 are subject to customs declaration only and are no longer subject to import VAT. The following types of consignments are excluded:

* Non-commercial consignment sales, e.g. gifts (up to a value of £39, reducible).
* Any goods subject to excise duty.

3. Non-UK sellers, shipping from within/outside the UK, and selling to UK customers without OMP participation, need to register and pay VAT on their goods.

4. UK online shopping platforms (online marketplaces, or OMPs) will be responsible for collecting and accounting for VAT.

The EU on cross-border e-commerce – Changes in VAT regulations

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Summary of changes

1. Elimination of the exemption from import VAT on imports of goods of low value (below €22).
2. For goods imported into the EU and sold to EU consumers with a value not exceeding €150, the e-commerce platform or customs declarant may withhold VAT on their behalf.
3. For sellers who are not EU enterprises, where goods have been warehoused in advance in the EU and sold to consumers in the EU or sold from one EU country to another, e-commerce platforms may be able to collect VAT on their behalf.
4. All sellers will be required to provide the postal cost of their items with the VAT rate separately so that the platform can determine the correct amount of VAT to be charged

Question: What is the potential impact of the EU tax reform on cross-border sellers?

Rising costs – VAT tax is already included in the selling price of goods, and after the implementation of the VAT tax withholding system, operating costs will rise. Most sellers on European sites may face about a 20% cost increase, and profits may be reduced by half or even more.

How do sellers respond?

Since costs have been rising, is it feasible to increase the selling price of goods?

The problem is that price increases will weaken the merchant’s price advantage, thus affecting sales. It is hardly surprising, then, that most European site sellers decided not to increase their prices within the month following the implementation of VAT tax in the UK.

Therefore, the decision about whether or not to increase prices and by how much depends on multiple factors, including the nature of the goods and the actual sales situation. It is not an easy decision.

**Poland – Europe’s rising star**

The recent escalation of the rule of law dispute between Poland and the EU has sparked speculation that Poland might embark on a process of withdrawal from the EU. Even if an exit is unlikely, this highlights a controversy about the future fate of the EU, foregrounding the dangers of potential long-term risks that cannot be ignored.

Poland’s history has been shaped by ups and downs and suffering, as the country has fallen three times in its history, only to rise up again with the same vigor as its national anthem expresses in the line “Poland Never Dies”. For e-commerce companies looking to enter Poland, it may be a more attractive option than it seems.

**Why is Poland Europe’s rising star?**

Economy

Poland’s GDP per capita is around $15,656.18 (2020) which is not as high as some countries in Western and Northern Europe, but this figure is a big leap for Poland. This renewed economic strength has also created huge potential for the e-commerce market.

Revenue in the e-commerce market is projected to reach $17,139 million in 2022. Statista claims that the majority of revenue will be generated from China, with a projected market volume of $1,412,109 million in 2022. The population of e-commerce users in Poland might reach 21.5 million by 2025, while the average revenue per user is expected to amount to $789.12.

The Polish e-commerce market is forecast to grow at an annual rate of 15% over the next five years, resulting in a market volume of $26,264 million by 2025.

Population

With a population of 37.95 million (2020), Poland ranks eighth in the list of European countries by population. In Poland, the main online consumers are aged between 25 and 54 years, accounting for 43% of the total consumer population. Currently, Poland has an Internet penetration rate of 84.5%, and people tend to shop more often on their computers. Poles prefer bank transfers, followed by debit cards and e-wallets. The percentage of shoppers using credit cards and cash-on-delivery methods is relatively low.

([https://www.statista.com/outlook/dmo/ecommerce/poland#revenue](https://www.statista.com/outlook/dmo/ecommerce/poland" \l "revenue) )

Geography

Poland is strategically located at the “crossroads” of Eurasia and along the “Belt and Road” route. Chinese goods are very popular in Poland, with 53% of cross-border online purchases coming from China, compared to 15% from its neighbor, Germany. Poland’s convenient transportation, low freight costs, and high logistics performance index, which ranks 28th in the world, also provide favorable conditions for e-commerce to enter the Polish market.

How to capture the hearts and minds of Polish consumers

It is worth noting that Poles value attractive discounts and spend time comparing discounts on various products, with a particular preference for special offers. According to the abovementioned survey, nearly half of Polish consumers use social media platforms such as Facebook and Instagram to find out about special offers; 32% go to brands’ official websites to gather information, and over 36% say they are influenced by TV commercials. In addition, since Poland is predominantly Catholic, most Poles attach great importance to Christmas, and businesses must seize the opportunities of the Christmas shopping period and establish appropriate discounts to boost sales.

Major platforms “rush” to Poland – Many platforms have already done so

With more than 21 million registered users (as of 2021) and more than 22 million users by 2025, Poland’s homegrown e-commerce company Allegro has been “dominating” the country since it was founded 20 years ago. In the second quarter of 2009, its revenues reached PLN 100 3 million, an increase of almost 60% year-on-year.

In early 2021, Amazon’s Polish site was officially launched. Recently, the site launched its Prime service. According to Reuters, Amazon’s Prime service in Poland is priced at 49 zlotych (about $12.35) per year.

Shopee, a Southeast Asian e-commerce platform, has also chosen to enter Poland to compete with other e-commerce companies.

Others competitors include AliExpress and Empik, which have both recognized the huge potential of the Polish market.

Of course, this also means that there are **huge challenges**.

Minor languages

Polish is the official language, but most people also speak Russian or German. As a “small language country”, starting sales are not large, and express class logistics are expensive; postal time is slow, and the country’s postal service cannot cover electric products.

Logistics must be fast

Polish consumers have high delivery expectations. According to a survey by foreign media, 25% of Poles expect to receive their online purchases within 1-2 days, the second strictest of all countries surveyed. 67% expect to receive their goods within 3-5 days, while only 5% are prepared to wait for more than six days. Therefore, sellers who want to develop their presence in the Polish market must pay attention to delivery time frames and choose a logistics company with a reputation for fast delivery times.

Poland is also known for having the largest and strongest parcel hosting network in Europe. The following is an outline of Poland’s e-commerce logistics performance.

1. 56% of packages delivered to courier collection points within 24 hours.

2. Average transportation time = 14 days.

3. 57% of international packages come from Germany, Sweden, and the Czech Republic.

Logistics delivery methods and the increasing rate of returns

In general, Polish consumers prefer to use self-service parcel terminals, or parcel lockers, which are somewhat more prevalent in Poland than in other European countries.

During the run-up to the Double Eleven (the biggest sales event in China), major merchants can be seen “fist-pumping” and eager to try out more vigorous e-commerce anchors such as SMS bombing and phone invitations. As the momentum of the Double Eleven builds, the order volume of cross-border e-commerce gets bigger and bigger, which means that logistics pressure increases. Standards of timeliness and accuracy may fall at the peak of any foreign sales event, and the following situations will generate demand for returns and exchanges.

**RETURNS and reverse logistics**

According to a survey on European logistics, the return rate for fashion items in Europe, such as clothes and shoes, is as high as 56%, while the return rate for accessories, although relatively low, still accounts for 30%. As clothing needs to be tried on, the likelihood of returns varies from person to person, but for clothing sellers in general, the high return rate is common. In addition, the survey also shows that in 68% of cases, the return of an electronic product is due to it being too difficult to operate. There are also differences between countries in patterns of return, according to the survey. Top returners live in Germany (41%), the Netherlands (36%), and the United Kingdom (32%). Interestingly, Italians and Spaniards rate a ‘hassle-free returns process’ as the most important factor when shopping online. Yet, they have the lowest returns – only 18% in Spain and 13% in Italy.

(<https://logisticsmatter.com/need-know-e-commerce-returns-europe/>)

In a survey of 360 sellers, respondents with more than 4,000 consumers from companies of all sizes in the U.S., UK, France, and Spain, commissioned by logistics provider GXO and conducted by Statista, more than one third of retailers surveyed said they have seen an increase in online returns in the past 12 months. Another 37% said returns have increased their operating costs. 42% of consumers surveyed said they have returned a garment purchased online in the past 12 months, and 57% said they think ahead and plan for returns when shopping online. The National Retail Federation (NRF) expects a significant increase in global reverse logistics demand, and reports that “spending on global reverse logistics technologies will spike in 2021 — forecast last year to hit $604 billion by 2025 — as retailers seek to alleviate a major pain point in the shopping journey and minimize the costs of a returned product”.

(<https://finance.yahoo.com/news/global-reverse-logistics-market-reach-122347917.html>)

Reverse logistics

The role of reverse logistics in the transaction process should not be underestimated.

Take the Israeli market as an example. Next and ASOS, well-known British apparel brands, are suffering from a high percentage of returns, despite their promising online sales in Israel. Online consumers generally expect to benefit from return services at no additional cost, which contradicts the expectations of cross-border sellers to maintain high traffic and high profits at the same time.

Exelot has responded to this pain point by providing quality reverse logistics services to help sellers achieve better performance in the Israeli market. In fact, Exelot’s reverse logistics in Israel has been highly recognized by buyers and sellers, allowing buyers to save more while reducing merchant losses.

Reverse logistics is a process where a merchant customer entrusts a third-party logistics company to deliver goods from the customer’s designated location to the merchant customer’s location. The reverse logistics process is driven by the merchant customer, and the logistics costs are centrally settled between the merchant customer and the third-party logistics company. The whole process requires strong ERP docking system support from both the merchant customer and the logistics company.

In the case of cross-border e-commerce, in view of the distance to be covered, the return shipping costs are often higher than the value of the goods themselves, which cancels out profit and equates to a loss for the seller. In peak shopping seasons, cross-border returns are relatively troublesome, and some merchants in the past have simply not given their customers the option to send back their goods. Economic losses at the same time also encouraged some users to return goods maliciously.

**6 reasons why you should be interested in penetrating the UK e-commerce market**

1. UK e-commerce market size (2021): £80,678 million.

2 Online shopping was a significant trend in 2020, with 45.4 million digital buyers in the UK this year, accounting for 81.1% of the population.

3. The UK saw record retail e-commerce sales in 2020, totaling $180.39 billion, with a third from China ($2,296.95 billion) and the U.S. ($794.50 billion). However, as the market recovers from the initial Covid-19 peak, we will see a 6.3% drop in UK retail e-commerce sales to $169.02 billion, according to ([eMarketer](https://www.emarketer.com/chart/242909/top-10-countries-ranked-by-retail-ecommerce-sales-2020-2021-billions-change)).

4. The average amount of money British people spent online in 2020: €1020.

5. UK Internet penetration rate: 97%.

6. In the pandemic year of 2020, global e-commerce rode the wave, with the UK performing particularly well. According to Ofcom’s report, Brits spent £1,413.3 million online, with e-commerce sales accounting for more than 30% of total UK retail sales for the first time, underscoring the incredible purchasing power of British consumers.

**Analysis of e-commerce opportunities in the Middle East and logistics pain points: into the “trench” of Dubai**

Dubai’s Expo 2020 Conference was delayed by a year due to the pandemic, but since the outbreak of the coronavirus, e-commerce in the Middle East and around the world has experienced accelerated growth.

According to Google and Bain & Company, the e-commerce market in the Middle East and North Africa is expected to triple in size by the end of 2022. (<https://www.bain.com/contentassets/2b078686303045ffa1d1207130ab5d79/bain_report__ecommerce_in_mena.pdf>).

Today, let’s visit Dubai, one of the world’s most intriguing cities, and explore the e-commerce landscape in the UAE.

Dubai

“Trench Dubai”

In this city you will find:

The world’s tallest building

The world’s largest artificial island

The world’s largest shopping center

The world’s largest musical fountain

The world’s only ATM from which gold can be withdrawn

Middle East facade

Dubai is an important node in the Chinese “Belt and Road” initiative and a gateway to the entire Middle East region.

Internationalization is one of Dubai’s most important labels, and the Dubai government has positioned itself as a global center for tourism spending. The city’s diverse leisure, sports, and entertainment activities and international ambiance attract tourists from all over the world. The comfort and ease of living here have led to a large number of foreigners choosing to buy and settle in Dubai. Data shows that Dubai’s population is growing at an annual rate of over 5%. Foreigners account for over 80% of the resident population of approximately 8.84 million.

The mix of cultures from various countries and regions around the world has given it a broad consumer market, and residents and high-end business travelers have a wide range of consumer goods to choose from, since shopping categories here are among the best in the world.

Strong advanced facilities to create an international consumer center

Dubai has invested heavily in the construction of advanced and record-breaking facilities. Terminal 3 at Dubai International Airport, which opened in 2007, was built by the Dubai government specifically for Emirates. With its huge investments in infrastructure, Dubai is now the center of the global aviation industry, and easy access to the airport provides the prerequisites for Dubai to become an international consumer center.

UAE e-commerce accelerates

The Middle East and North Africa is a huge market with 4.5 billion potential online customers. Moreover, UAE consumers have seen a 53% growth in online shopping using smartphones.

E-commerce market size growth prospects

Trade in the Dubai Free Zone reached a record $3.9 billion in 2020, with a 53% year-over-year increase driven by the Covid-19-led digital shift, while e-commerce constituted an 8% share of the retail market during the same year, accounting for 41% of total trade: an astounding 150% increase compared to the same period of the year 2019.

Consumers in the UAE spend the most money online each year

A consumer survey conducted by the Dubai Ministry of Economy and the Dubai Police Department in collaboration with Visa on January 6, 2020 compared the UAE to established and emerging benchmark markets, including the U.S., the UK, Australia, and Singapore, as well as Brazil, South Africa, and Malaysia. Results showed that the UAE spends the most money online in the Middle East North Africa and South Asia (MENASA) region at $1,648 per year. In addition, the UAE continues to be a healthy leader in average transaction size compared to established and emerging e-commerce markets. The average transaction value in the period 2019-2020 in the UAE was $122, compared to $76 in established markets such as Australia and $22 in emerging markets such as Africa.

Accordingly, consumer demand and online sales are growing exponentially as more merchants arrive online, and a wider choice of products has become available in the e-commerce space.

UAE consumers:

As a result of the pandemic, there was an increase in the proportion of UAE consumers making online purchases (49%), with 61% using cards or digital wallets

Since the first quarter of 2020, industry players, including large retailers that maintain e-commerce, have reported a significant increase in consumer demand for e-commerce, with Visa’s findings showing that a higher percentage (49% to be precise) of UAE consumers surveyed are shopping online as a result of the pandemic, and three in five (61%) offline consumers are using cards or digital wallets rather than choosing cash on delivery as in the past. People increasingly trust the security, speed, and convenience of contactless payments.

The government actively promotes digital payments

The Dubai Ministry of Economy has prioritized digital payments as a key driver for streamlining business and smart transformation that will make Dubai a highly competitive global business hub. E-commerce payments are expected to account for 28.2% of total UAE card payment transactions in the future.

This “consumer habit-forming behavior” is expected to continue in the post-pandemic era thanks to the surge in consumer demand for e-commerce and contactless commerce during the embargo, and also thanks to the increasing number of consumers and merchants who have experienced the security, convenience, and scope of online transactions. At the same time, for merchants, online payments instead of cash on delivery can reduce the cost, complexity, and risk. This “consumer habit-forming behavior” is expected to continue in the post-pandemic era. At the same time, for merchants, online payments instead of cash on delivery can reduce the cost, complexity, and risk. Drivers of e-commerce growth in the UAE include: a developed logistics infrastructure; the government’s financial structure and support for digital payments; increased retailer migration to e-commerce platforms; and government policies that support innovation and entrepreneurship. While e-commerce is growing, the region also suffers from logistical issues such as difficult delivery, long logistics timelines, and poor convenience, but this subject is for another time.

Posts:

תכירו את רועי

מחלוצי צוות סין שלנו

רועי הגיע לפני שנתיים לאקסלוט ומאז לא מפסיק להפתיע

היום בפיתוח עסקי - סין

מנהל את אחד מקווי

הקונסולידציה שלנו הונג קונג ישראל ​

ותוך כדי אוהב ולומד סינית כל הזמן!!!

גם אותו שאלנו מספר שאלות כדי להכיר אותו טיפה לעומק:

לפני שהגיע לאקסלוט רועי היה סטודנט באוניברסיטה העברית למד למודי אסיה ויחסים בינלאומיים, ועבד בתור מורה לסינית ,כבר אז תשוקתו לשפה הייתה עצומה!

שאלנו איך זה קרה לו ומתי התחיל הרומן עם סין?

רועי סיפר שנסע לטיול של שנה במזרח ושם ביקר בסין במשך שלושה חודשים

הנופים האנשים והשפה הכל כך מיוחדת שבו את ליבו ושם החליט שהוא רוצה לדעת אותה לבוריה, ומשם הכל היסטוריה

שאלנו מהי חופשת החלומות שלו?

"טיול בטבע, טרקים של כמה ימים במקומות הכי מבודדים שיש! כמה שיותר רחוק ומבודד יותר טוב"

לא הרבה יודעים אבל לרועי יש הרגל מגונה ,רשימות טודו TODO LIST

בסוף כל יום ממש לפני השינה רועי כותב לו את כל המשימות שיש לו ליום למחרת ורק אז יצליח להרדם.

שאלנו אותו, אם יכל לבחור כל אדם שרוצה לשבת איתו לכוס קפה, את מי היה בוחר

"משה רבינו, יש לי כמה שאלות לוגיסטיות, איך שינע במשך 40 שנה עם שלם?"

אם הייתה לו עוד שעה ביום היה מנגן בגיטרה שלו ואם תשאלו אותו מה הכישרון החבוי שלו שלא הרבה אנשים יודעים? תדעו שהוא יודע למנות את כל מחוזות סין בע"פ!!!

בדקנו יש 34 כאלה..

הדבר הראשון שעושה בבוקר זה לקרוא חדשות (אוהב להיות מעודכן) והאחרון שעושה לפני שהולך לישון, כמו שכבר אמנו בונה לו רשימה למחר!

המוטו של רועי : ???

יש עוד כלכך הרבה לכתוב אבל אין מספיק מקום!

שמחים להכיר לכם אותו וגאים שהוא חלק מהצוות הנפלא של אקסלוט!

הכירו את מאי:

מאי המדהימה והמוכשרת שלנו  
כלכך צעירה אבל אל תתנו לגיל לבלבל אתכם!  
שאלנו אותה מה סוד הקסם שלה  
אחרי שקצת התאוששה מהמבוכה, אמרה שאין משהו מיוחד, היא פשוט אוהבת את מה שהיא עושה..  
מאי עובדת כ \_\_\_\_\_\_\_ באקסלוט כבר עוד מעט שנתיים, ובזמן הזה הספיקה לנהל את קו קפריסין ולהוביל פרוייקט מיוחד במינו במחלקת הקסטומר סקסס שלנו!  
כל זה תוך כדי שמנסה לייעל הכל ולהנאתה מפתחת נוסחאות חדשות במערכות הנתונים שלנו!

מדהים לראות איך היא שולטת בכזאת מקצועיות בכל המערכות תוך כל כך מעט זמן!  
אז החלטנו לשאול אותה כמה שאלות והיו פה גם כמה תשובות מפתיעות :  
מאי  
לפני שהחלה לעבוד באקסלוט הייתה באוניברסיטה ובדיוק חזרה מחילופי סטונדטים בעיר הנג ג'ואו שבסין!  
התשוקה והאהבה הכי גדולה שלה זו הסינית!  
מעבר לזה היא גם מדברת עברית אנגלית וערבית שוטף.  
היא תוותר על חופשה רומנטית באי בודד על חוף הים עם אננסים ושמש בשביל חופשה בצפון איטליה שוויץ גרמניה -עם "שלג מצד אחד ונופים ירוקים מהצד השני", זו מבחינתה חופשת החלומות!  
דבר שלא הרבה יודעים עליה זה שהיא מכורה לשוקולד ובלי המנה היומית שלה היא לא יכולה לתפקד!

לגבי שעה מועדפת לעבודה היא ממש מעדיפה לעבוד בשעות הלילה ולא בשעות הבוקר.  
אה ודבר אחרון, ויש לה הרגל מגונה (טוב לא באמת מגונה, הלוואי על כולנו!) לכבות את האינטרנט לפני השינה "ללילה חלק ולבוקר רגוע"!  
זו מאי שלנו  
ואנחנו זכינו!