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# International Expansion Simplified

A strategic approach to growing your cross-border eCommerce





# Contents

- 1 International growth the smart way
  - 2 A strategic approach to cross-border eCommerce
  - 3 Multi-node fulfillment: Positive experiences, wherever you're shipping
  - 5 Ensure success with help from the experts
  - 7 Case study: Wimbledon
  - 8 Your cross-border expansion partner
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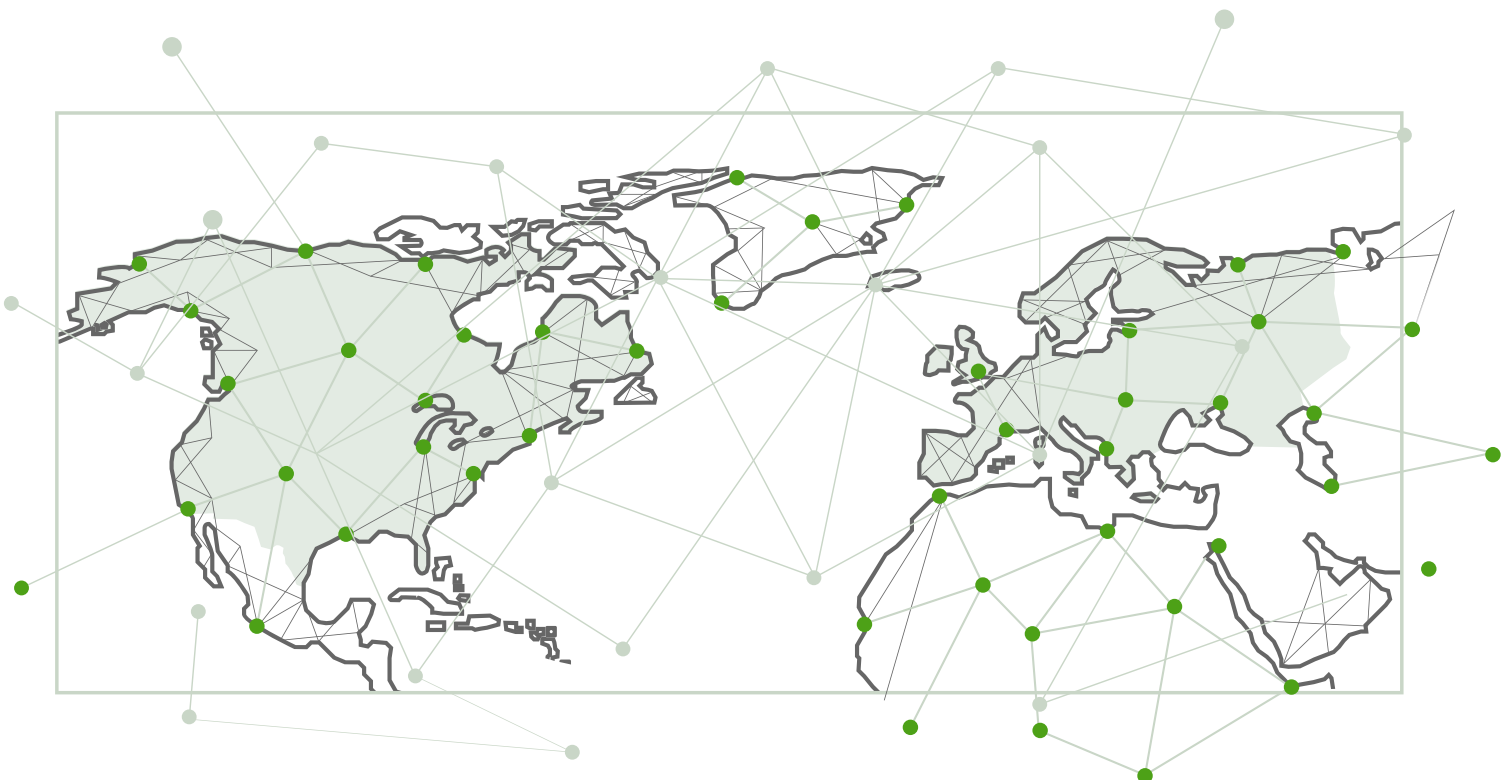
# International growth the smart way

Cross-border eCommerce sales are on the rise. Thanks to advancements in technology enabling secure international payments, reducing shipping times and eliminating language barriers, brands can reach a much larger audience and have greater opportunity for growth.

The global cross-border eCommerce market is expected to grow at a Compound Annual Growth Rate (CAGR) of **15.5%** from 2021-2027. Brands and retailers have an opportunity to capitalize on this global market, but they must get the approach right from the beginning. That means frictionless shopping experiences and fast delivery (regardless of where the package is shipping from or to) to encourage repeat purchases, brand loyalty and, ultimately, long-term growth.

However, with so much market uncertainty and ongoing disruptions, how can retailers take advantage of the cross-border opportunities on offer without risking everything? At PFS, we speak from experience when we say, "There is a smart way to approach international growth."

This eBook details a proven approach to cross-border eCommerce, while highlighting key strategies and technologies that help you execute your international expansion successfully.



# A strategic approach to cross-border eCommerce

While the growth opportunities are evident, brands must be strategic in executing international expansion. While you may be tempted to "go all in" at the first sign of international interest, approaching cross-border expansion in stages will ensure you can establish a solid foundation within a new region before making significant investments.

Understanding what stage of international growth your business is in will help you determine the best approach.

3 Stages of International Growth			
Features	Stage 1	Stage 2	Stage 3
	Your customers are primarily local with some international order volume.  PFS fulfills all domestic and international demand from a single pile of inventory located within the primary country.	Increasing international demand requires a more localized approach.  PFS engages our cross-border partner Global-e to localize the website, streamline payments, and implement more efficient order processing for international orders from a single fulfillment node.	International demand calls for expanding operations to include in-region fulfillment  PFS engages a multi-node fulfillment operation leveraging our own footprint of international distribution centers to ensure fast delivery to customers across regions.
	Basic International Shipping		
	Cross-Border Shipping		
	Regional Multi-Node Fulfillment		
	Global-e Localized Browsing		
	Global-e Localized Checkout		

# Multi-node fulfillment: Positive experiences, wherever you're shipping

Supporting cross-border operations from a single distribution center becomes more challenging as international demand grows. Even more so when you consider ongoing supply chain struggles and the increasingly complicated management of duties and tax requirements.

As your brand grows, you will likely need to establish a tech-enabled multi-node fulfillment operation that allows you to ensure positive fulfillment experiences for customers regardless of their location. Leveraging distributed order management (**DOM**) **technology** for intelligent order routing, brands can establish multiple fulfillment points and route orders to the appropriate location according to delivery destination, shipping cost, inventory availability, etc.



## The difference a day makes

As your cross-border operations take root, the most certain way you can meet delivery expectations while keeping costs manageable is by getting your product closer to the consumer. The ability to support same- and next-day shipping over two-to-three-day delivery is increasingly important as consumers become more accustomed to these options. Establishing a multi-node operation is critical to your brand's ability to support this offering on an international scale.

There are four primary ways you can approach a multi-node solution as you work to establish fulfillment operations in new regions. All of these options work towards a common goal to get orders to your customers as quickly and affordably as possible, while maintaining a quality, personalized experience upon delivery.

1. Pop-up distribution centers
2. Metro fulfillment centers
3. Permanent regional expansion
4. Bonded warehouses



**1**

## Pop-up distribution centers

In recent years pop-up distribution center (DC) solutions are enabling retailers to better serve customers across regions during peak demand periods or as a way to test new markets. Pop-up DCs offer a good point of entry, but once established, transitioning these operations to more permanent fixtures in your multi-node strategy gives you a way to ease into new markets and grow with demand.

**2**

## Metro-fulfillment

Brands and retailers with a brick-and-mortar presence have an opportunity to keep up with growing eCommerce demand by leveraging excess retail store space in support of the online channel. With this approach, you get more for your money from each square foot of space. The metro-fulfillment solution leverages lightweight hardware and software located anywhere you have excess space (stock room, dark store, etc.).

With automated fulfillment technologies such as PFS' [RetailConnect](#), you can quickly launch a full-scale operation with a fraction of the time and cost, while maintaining a first-rate consumer experience, including branded packaging, support for personalization and fast shipping.

**3**

## Permanent regional expansion

These technology-enabled facilities offer capacity to support seasonal or promotional spikes in demand, as well as space to support more permanent growth long-term. Engaging a seasoned BPO with established space can relieve brands of significant overhead costs.

By strategically locating traditional fulfillment centers to serve customers across a specific region, you ensure support for fast delivery times year round. For example, PFS' Liege-based DC located just one hour driving distance from major local hubs can reach 90% of France and 86% of Germany next day via low-cost ground shipment.

**4**

## Bonded warehouses

For shipments to the UK from Belgium or the US from Canada, for example, brands can save on duties and taxes by leveraging bonded warehouses. Custom bonded warehouses (CBW) as well as duty drawback programs (DDP) allow retailers to store goods without immediate payment of duties. This helps reduce losses and mismanagement of import items, and offers much needed duty relief to companies hurting from increased tariffs in the US or Brexit ramifications for the UK.

# Ensure success with help from the experts

Cross-border eCommerce is a complicated endeavor.

Fortunately, you don't have to go it alone. By enlisting the help of the right BPO based on your customer base and the region(s) you seek to take on, you can greatly enhance your chances for success.

How does PFS help you achieve your cross-border goals?



## **Experience & expertise**

PFS comes to the table with extensive industry knowledge. Our management of eCommerce operations, including cross-border solutions, for dozens of clients, allows us to keep up with tactical and technological industry trends, bringing that knowledge back to you in the form of best practice recommendations. From industry standards to consumer expectations, we guide you to a solution that meets the latest consumer demands and ensures service levels that encourage brand loyalty.



## **Global-e smart cross-border partnership**

Together, PFS and Global-e eliminate border barriers and support seamless shopping experiences regardless of location. Global-e equips brands to offer fully localized websites (including browsing and checkout), fully landed costs (no additional fees upon delivery), and optimal carrier selection for customers the world over. Through a simple integration with Global-e, PFS extends our clients' reach and enables them to serve customers across the globe.



## **International footprint**

PFS supports brands using our own systems, people and expertise. We offer an expansive network of PFS-operated DCs across the United States, the United Kingdom, Canada and Belgium, from which we support cost-effective, fast regional delivery, as well as international fulfillment, wherever your customers are located.



## **Best-in-class technology**

Best-in-class systems and integrations are critical to maintaining a competitive edge in the industry. Keeping up with technological advancements and ensuring our solutions are running on the latest technology available is a top priority at PFS. From powerful DOM technology to highly efficient light-to-light picking to store fulfillment technology, we engage only the best for the brands we support.



### **Scalable operations**

PFS enables you to keep momentum going when rapid growth occurs. In support of seasonal and promotional peaks as well as long-term growth, PFS' scalability means we can support spikes in demand, both planned and unplanned. We are experienced at ramping personnel and our systems are built to scale. We also enable expansion to new markets without the burden of capital investments and permanent additional infrastructure costs falling to you.



### **Single point of contact**

Across all of PFS' core services – fulfillment, customer service, order management and payment & fraud management – your PFS Business Manager acts as a single point of contact for all your solution needs. They are your advocate within PFS, working closely with team members across the organization to ensure we deliver consistent, high-quality operations that result in positive, brand-building customer experiences, wherever they are located.



### **Established carrier relationships**

PFS maintains strong relationships with national carriers, as well as smaller regional carriers and same-day couriers. With rising freight costs, we understand how important it is to your business to fulfill orders to customers as quickly as possible, at minimal expense. You can lean on us to find the right mix of ground transportation, expedited air, etc. to meet consumer expectations while keeping freight costs down.



### **Duties and taxes management**

Duties and taxes are a major consideration when it comes to moving goods across borders. It is a complicated and costly process. PFS' tax experts are well versed in all the latest rules and regulations. Our team offers best practice recommendations for how to set up your operation from a tax perspective and manages the processing of duties and taxes for you.



### **Brand-forward operations**

As you seek to grow your brand in new markets, establishing and maintaining a positive brand image is critical to capturing competitive advantage. At PFS, we are the branded eCommerce experts. Whether through branded packaging, value-added personalization services, or clear and consistent brand messaging from our customer service representatives, premier brands trust PFS to deliver on their values and messaging across every step of the post-purchase customer journey.



### **Free up time and resources**

PFS manages day-to-day eCommerce operations for you, freeing up your in-house team members to focus on the core competencies of your business, such as brand innovation. We keep you in the know with real-time visibility of reporting through a user-friendly client portal, daily communication from your Business Manager and regular business reviews, but your team is relieved of all the heavy lifting involved in a cross-border eCommerce operation. Take on new markets with confidence with help from the experts.



# Case study: Wimbledon



## Cross-border eCommerce fulfillment

Wimbledon sought to elevate their eCommerce experience with best-in-class order fulfillment operations from the United Kingdom in support of domestic and international demand. Leveraging both PFS and Global-e, the cross-border eCommerce solution supports international fulfillment across the globe from PFS' UK-based distribution center.

Less than two months after going live in May of 2022, the solution effectively scaled to support peak demand during the annual tournament in July.

54%

DOMESTIC ORDERS

46%

INTERNATIONAL ORDERS

77

COUNTRIES SHIPPED TO

Supporting cross-border operations  
for leading brands

Elizabeth Arden  
NEW YORK

Champion

Tefal



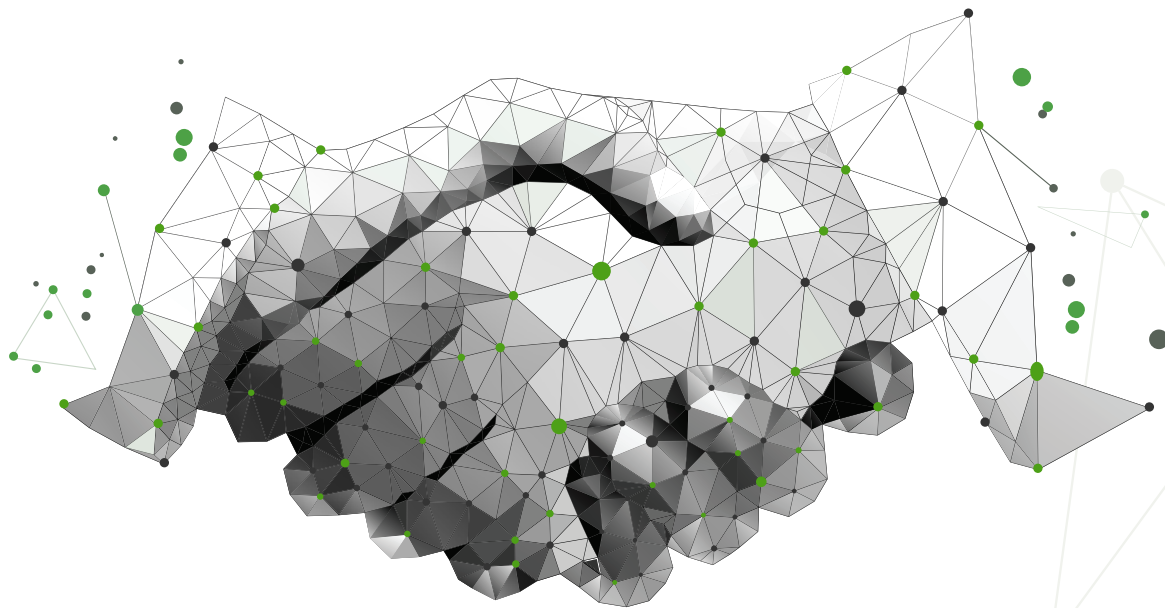
ELOQUII

thrive<sup>™</sup>  
causemetics

PANDORA

# Your cross-border expansion partner

PFS helps you strategically expand into new markets while prioritizing accurate brand representation and positive customer experiences that encourage loyalty and growth.



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PFS is the premier eCommerce order fulfillment provider. We facilitate each operational step of an eCommerce order in support of DTC and B2B retail brands. Our scalable solutions support customized pick/pack/ship services that deliver branded experiences with every package. A proven order management platform, as well as high-touch customer care reinforce our operation. With 25+ years as an industry leader, PFS is the BPO of choice for brand-centric omnichannel operations.

## Are you ready to go cross-border?

Talk to a PFS expert today about implementing cross-border eCommerce operations for your brand.





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[www.pfscommerce.com](http://www.pfscommerce.com)