International Delivery 101

Presented by Julie Aitken & Gary Schneider

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Meeting Objective

The goal of today's meeting is to help you learn how easy international mail and shipping can be so that you can grow your business in this everincreasingly small world.



Types of International Mail

- Parcel: Parcels are dutiable and non-dutiable shipments to international customers. You can accomplish this in a variety of cost effective ways. Retailers can choose between collecting and remitting duty and taxes up front, or, allowing the local customs or postal administration to collect it directly from the end consumer. Speed of delivery, the level of parcel tracking, and returns management options are additional items you want to consider.
- Business/Advertising Mail: Business Mail typically contains general correspondence and items of a personalized nature for transactional, contractual or relationship purposes. Examples include bills and account statements. Advertising mail is defined as mailings which comprising a largely uniform message to all addressees, with the purpose of promoting the sale or use of products or services, or to encourage contribution to, or support of a cause. Examples include catalogs, new credit card offer or a charity/society sending a mailing to renew a subscription/donation. Mail piece will have US look and feel for marketing purposes.
- <u>Publication</u>: Publications are issued periodically, with an issue containing a collection of articles, stories, pictures, essays or other features. Examples include magazines, journals, and newsletters. A publication includes a volume number and/or issue dates.



USPS Parcel Product Solutions

These solutions feature the USPS® international shipping services exclusively. If you work with a Postal Qualified Wholesaler for the USPS, you are able obtain postal discounts for your packages.

Priority Mail Express International ™ (PMEI): Fastest international delivery among USPS international services, plus date-certain service delivery with a money-back guarantee to select destinations.

- 3-5 days from time when mail is lodged at USPS® gateway
- Available to almost all countries
- Maximum value per parcel \$2,500

Priority Mail International ™ (PMI): Next fastest international delivery among USPS international services.

- 6-10 days from time when mail is lodged at USPS® gateway
- Available to almost all countries
- Maximum value per parcel \$2,500





Highlight on USPS® e-PacketTM

Product Description:

- E-Packet service offers the same speed and consistency of IPA, but with delivery visibility and competitive price point. Price based on actual weight.
- 36 major destination countries up to 4.4 lbs
 - Canada, Australia, Brazil, New Zealand, Belgium, Finland, France, Germany, Great Britain, Ireland, Netherlands, Portugal, Spain, Sweden, Switzerland, Croatia, Denmark, Estonia, Gibraltar, Hong Kong, Hungry, Israel, Italy, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Singapore, Japan, South Korea, Austria, Greece, Norway, Poland, Russia
- Returns: Unmanaged. With USPS routing, undeliverable parcels will be sent back to a US return address free of charge.
- Transit time 5-10 business days from time parcel is received at a USPS facility
- DDU only

Value Adds:

 Tracking: e-Packet has typical receptacle tracking events + 1 additional event for delivery confirmation. Countries must maintain a scan rate of 90% or better to be in the program.

Qualifications & Requirements:

- For B2C transactions only low-mid value products
- Product value up to CN22 limit of \$400
- Address file and barcode label required





Countries Serviced Today via ePacket

Australia Greece Netherlands

Austria Hong Kong New Zealand

Belgium Hungary Norway

Brazil Ireland Poland

Canada Israel Portugal

Croatia Italy Russia

Denmark Japan Singapore

Estonia Latvia South Korea

Finland Lithuania Spain

France Luxembourg Sweden

Germany Malaysia Switzerland

Gibraltar Malta United Kingdom



36 countries as of 7/11/18



USPS International Parcel Product Portfolio

Updated as of: 8/21/2017

	USPS International Products							
Service Features and Parameters	USPS PMEI Priority Mail Express International™	USPS PMI Priority Mail International™	il USPS ePacket™ USPS IPA™		USPS ISAL™			
Transit Times	3 to 5 business days ¹	6 to 10 business days ¹	5 to 10 business days ¹	5 to 10 business days ¹	7 to 14 business days ¹			
Countries Serviced	Worldwide	Worldwide	31 countries ³ Worldwide		Worldwide			
Duties & Taxes	UDU	DDU	DDU DDU		DDU			
File and Label Required	Yes	Yes	Yes Yes		Yes			
Tracking	Full Track and Trace	Full Track and Trace	Delivery Confirmation w/Milestone Tracking	Confirmed Processing Only ²	Confirmed Processing Only ²			
Returns Management	Not Available	Not Available	Not Available	Not Available Not Available				
Maximum Weight	70 lb. (Varies per destination)	70 lb. (Varies per destination)	4.4 lb. (Non-Printed Matt 66 lb. (Printed Matter)		4.4 lb. (Non-Printed Matter) 66 lb. (Printed Matter)			
Maximum Size	No one dimension greater than 60 inches. Maximum length + girth of 108 inches. (Varies per Destination)	No one dimension greater than 60 inches. Maximum length + girth of 108 inches. (Varies per Destination)	No one dimension greater than 24 inches. Length + width + height cannot exceed 36 inches.		No one dimension greater than 24 inches. Length + width + height cannot exceed 36 inches.			
Maximum Value per parcel (USD)	\$2,500.00	\$2,500.00	\$400.00 \$400.00		\$400.00			
Service Level Indicator	4	9	8 7		6			



^{2.} Confirmed IMEX processing event only. If the vendor sends other events we pass them along, but no guarantees.

^{3.} USPS ePacket Countries are: Australia, Belgium, Brazil, Canada, Croatia, Denmark, Estonia, Finland, France, Germany, Gibraltar, Hungary, Hong Kong, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Netherlands, New Zealand, Portugal, Singapore, South Korea, Spain, Sweden, Switzerland and United Kingdom (Great Britain).





International Parcel Tracking Milestones

Event	Description	USPS [®] ePacket	Priority Tracked DDU	Priority DDU	Standard DDU	USPS ® PMEI	USPS ® PMI
Processed and Shipped	Processed and Shipped	Х	Х	Х	Х	Х	Х
Parcel Picked Up	Parcel received by vendor					X	X
Received by local office	Vendor local office received	X	X			X	X
In-Transit	Parcel In-transit	Х	Х			X	X
Country of Destination	Package arrived in the country of destination	Х	X			Х	Х
Out for Delivery	Parcel arrived in local area for delivery					Х	Х
Undeliverable	Unable to deliver to Recipient						
Delivered	Delivered to recipient	Х	X			Х	Х



E-commerce Market Info for Parcel Volume

Some of the Best Markets for American Products

- Canada and Mexico
 Canada and Mexico are attractive markets, as they have a long history of buying goods from the U.S. Plus geography adds some benefits in terms of better logistics.
- Australia, UK, and the Nordic Countries: Denmark, Finland, Iceland, Norway and Sweden.

Australia and the UK are in the top 5 markets for U.S. products. Nordic countries such as Denmark, Finland, Iceland, Norway, and Sweden — have tastes and consumption patterns similar to the UK. So, targeting the UK market will help open doors in the Nordic countries too. Australia doesn't have access to lots of goods that we have here and they too have similar taste and consumption patterns to the US.

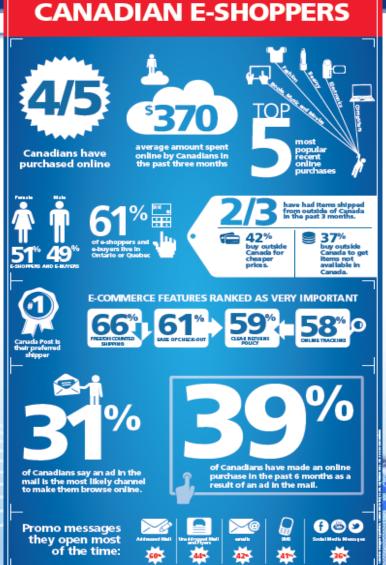
China, Brazil, India, and Russia
 The population of these countries, when added to that of America, represents about half the world's population. These countries are attractive not simply because of their population, but because of their expanding economies. For American products, they are markets with great potential.



E-commerce Market

- According to a <u>Pay-Pal study</u>, the cross-border e-commerce market was valued at over \$105 billion in 2015, and will reach \$307 billion by 2018. The study estimates that there will be around 130 million crossborder customers shopping online in 2018, compared to the 93.7 million online shoppers in 2015.
- E-commerce B2C product sales totaled \$142.5 billion, representing about 8% of retail product sales in the United States. The United States online retail industry was worth \$279 billion in 2015.

Canada Highlight on





E-commerce Shopping Cart Abandonment

69.89% – average documented online shopping cart abandonment rate

- Extra costs were too high (shipping, extra fees) 60%
- The site wanted me to create an account 37%
- Checkout too complicated/too long 28%
- I couldn't see/calculate the total order cost up front 23%
- Website errors/browser crashed 20%
- Didn't trust the site with my credit card information 19%
- Returns policy was not satisfactory 11%
- My credit card was declined 4%

2,694 responses US adults @baymard.com/checkout usability 2017





US - Global E-Commerce Market

	Rank	Best Selling Internet Products 2016
	1	Women's Apparel
	2	Books
•	3	Computer Hardware
	4	Computer Software
	5	Apparel
	6	Toys / Video Games
	7	Video's DVD's
	8	Health & Beauty
	9	Consumer Electronics
	10	Music
	11	Jewelry









USPS Business Mail and Publications Solutions

These solutions feature the USPS® international shipping services exclusively. If you work with a Postal Qualified Wholesaler for the USPS, you are able obtain postal discounts for your mail campaigns. Packages up to 4.4 pounds can also be mailed via IPA or ISAL service.

International Priority Airmail [™] (IPA): A priority airmail commercial service specifically designed by the USPS for volume mailings. It is available for all types of time-sensitive mail including invoices, bank statements and publications.

- 3-7 days from time when mail is lodged at USPS® gateway
- Pieces must have US return address on envelope; must be enclosed or sealed on all sides (Business Mail)
- Available to almost all countries
- Competitively priced for letters

International Surface Air Lift TM (ISAL): A bulk mailing system providing fast, economical delivery of publications, advertising mail, catalogs, directories, books or other printed matter.

- 7-14 days from time when mail is lodged at USPS® gateway
- Pieces must have US return address on envelope; must be enclosed or sealed on all sides (Business Mail)
- Available to 127 countries
- Heavier flats are best serviced by ISAL from a price point

Countries Currently Under Embargo

Crimea

Cuba

Iran

North Korea

Sudan

Syria

For these countries, only magazines can be mailed. All other mail is banned. Nothing can be mailed into North Korea.

One other country that you can't mail to right now is Guatemala. No mail is being accepted. They are working on their situation and hope to have mail service restored in the next few months or so.





About US Postal Service Postal Qualified Wholesaler Solutions

US Postal Service Postal Qualified Wholesaler solutions are available through our PQW partners. Gary Schneider has 30 years of shipping and logistics experience, the last six of those years at the US Postal Service. Gary has been working with and assisting e-commerce customers both large and small, by helping them to reduce cart abandonment rates and increase overall market share by both lowering shipping costs and transit times.

For further questions or more information, please contact:

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Questions

Any questions?

Thank you for your time today!





Thank you to Canada Post, Pay-Pal, & the USPS!