



**ShipBob**

# **International Shipping Guide**

**How to expand from your home  
country to across the globe.**

# Introduction

Ecommerce can open up a world of possibilities for your brand — literally. By expanding abroad, you can reach consumers from across the globe and get your products to those who would have never had access to them back in the days of exclusive brick-and-mortar retail. In fact, 70% of online shoppers purchase internationally.

Customers across the globe expect things exactly when and how they want them. Sellers must be able to offer speedy deliveries, reduce consumer burdens, and provide an excellent experience that keeps customers coming back. There are endless opportunities for ecommerce brands in today's market; international shipping gives you a platform to reach customers all over the world.

When you start to sell your product internationally, it may seem like your potential to reach customers is limitless.

However, there are several obstacles you'll have to sort out in your shipping and logistics strategy.

For a small, growing brand, international shipping and fulfillment might seem like a pipedream. While you may not be able to implement global fulfillment right away, there are various steps you can take to position your brand for success as your business continues to grow. Alternatively, larger brands may be ready to take the plunge to go global but aren't quite sure where to start.

This guide will take you through the journey of getting started with international shipping to building a well-oiled global fulfillment machine. In this guide, we'll walk you through beginning steps all the way to the process of scaling internationally.



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# Getting Started with Selling Internationally

*How to meet customers where they are, open up to new markets, and more.*

Thanks to globalization, getting in front of an international customer base has never been easier. In fact, cross-border purchases will comprise 20% of all worldwide ecommerce by 2022.

However, the international ecommerce market is competitive: 62% of merchants already have a cross-border ecommerce business. So how does an ecommerce business expand into international markets with a competitive edge?

In this section we'll explore how to begin framing your business for international growth and steps you can take to get started.

**First, narrow down where you'd like to focus on shipping and start doing research. Ask questions such as:**



**What information can I gain from looking at my current operations in my home country?**

Use your existing trends to better understand your potential in new international markets. Identify demographics similar to your target customer in other countries. If you have seasonal or weather-related products, search for climates similar to the one you're currently finding success in.

## 2 Where is my product currently resonating?

Refer to your social media and other channels. Are consumers in specific countries voicing a need or desire to have your products? Take a look into Google Analytics and other web traffic. See where you're getting hits from other countries and glean data from there.

## 3 Do consumers in this country have a need for my product?

Is there a void that your product could fill? Research competitors in other countries to see if there are any existing similar products or brands. Conversely, consider cultural differences in your home country versus the one you're looking to ship to (more on that later!).

## 4 Are your products allowed to enter other countries?

Review rules, restrictions, and registration requirements for the country you're going to ship to. Many countries restrict the types of products that can be imported from other countries. It can even come down to a single ingredient found in your product. For example, CBD brands in the U.S. will come up against significant red tape and paperwork to sell their product in Canada.

## 5 Which carriers will you use?

Depending on your product and where you're shipping it to, you might be limited by the carriers you can use and your shipping prices may be expensive. Additionally, research each carrier's guidelines to understand the difference in restricted and prohibited items and if it applies to your brand. As an example, UPS clearly lists prohibited and restricted items, plus a guide on how to manage international shipping, [on their site](#).

**Once you've evaluated those considerations, you can begin weighing other factors, such as:\***

### Cultural and consumer behavior

Cultural norms and consumer behavior are different in various countries, and these nuances have to be accounted for before making the leap to sell abroad. For example, if you sell football equipment, it could mean something entirely different abroad (e.g. football in America vs. Europe vs. Australia). Be cognizant of vernacular, potential double meanings, or blurry translations while researching different cultures.

Additionally, not all products are acceptable in certain cultures or legal in certain countries. Keeping an eye on international product and market trends will help make better decisions on which products you should offer in certain countries.

Product pricing is also an important consideration as you start expanding into international markets. You have to factor in how much spending power the average consumer has.

For example, if you run a US-based business and want to start selling in Thailand, you'll have to offer lower prices since customers have less per capita income.

You'll also need to be aware of currency conversions and exchange rates for different countries. For example, when shipping to the UK from Canada, you'll need to compare GBP and CAD. A [currency calculator](#) can help you discover exchange rates as you set your pricing internationally.

There are several tools and resources you can use to help get more insight into demographics in certain areas and regions, such as [worldometers.info](#), which includes a thorough breakdown of demographics of different countries.

*\*Subject to change. Stay on top of changing regulations in countries you're looking to expand into.*

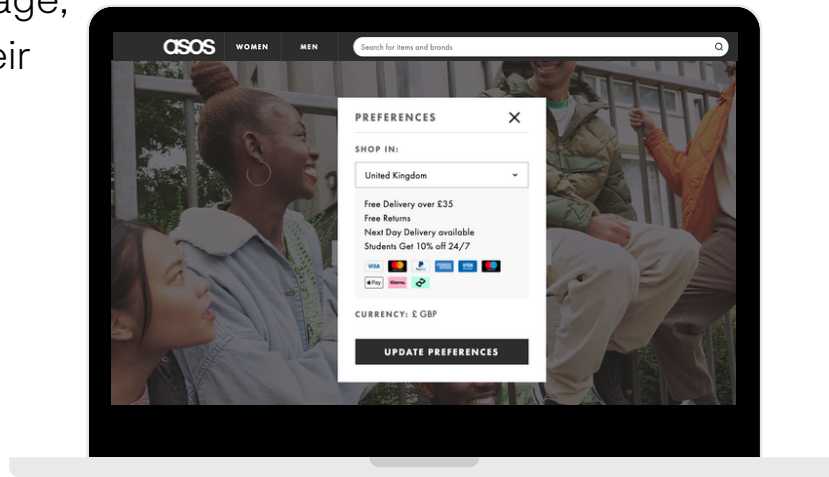


## Optimize your online store

No matter the location where your customers are shopping, your store's website is the buying hub. You have two options to prepare your store for international sales:

1. Depending on the size of your business, you may want to open unique online stores tailored for each country or region.
2. Optimize your current website for international buyers with a multi-language translator tool or create landing pages optimized and tailored for different countries or regions.

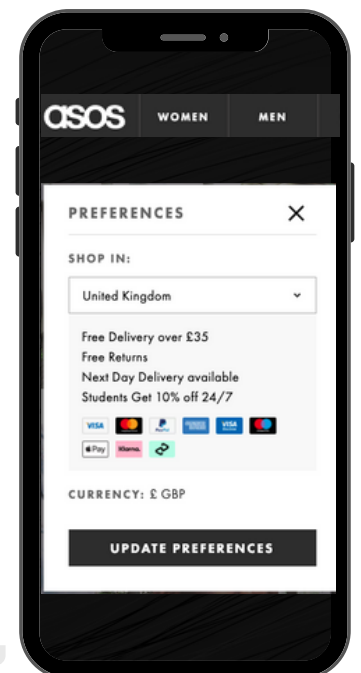
For example, many ecommerce brands will provide an option (sometimes with flag icons on the top of the page) for international customers to view a page that's in their language, displays their currency, and features products available in their area.



## Payment processing & buying habits

Most countries have their own local currency, but payment providers aren't guaranteed to support every country's currency. Since your ecommerce business can't accept cash, you'll have to ensure that international customers have a reliable way to pay online.

Credit cards are the standard online payment system, but depending on the market, you might have to support digital wallets or other payment types. PayPal, Square, Visa, and other payment processors can let you know where they accept payments. Different ecommerce platforms will work well with different payment methods.



## Advertising & marketing differences

Effective advertising in different countries can happen through channels you're not used to working with.

Paid social media might not be as effective in other countries where, for example, traditional TV advertising might work better. Where do these citizens begin their search online? You might need to think outside of Google or Amazon and create an entirely different marketing strategy.

When researching how different countries advertise, spend some time learning about how other ecommerce businesses in the country market and what channels have the most opportunity. Keep an eye on your competitors — are any of them selling internationally? Check out how they're advertising in different countries.

**"Shipping to the US from Canada used to cost about 50% of our average order value, and it would take a minimum of 7-10 business days to reach the destination. With customers today expecting free shipping and a fast turnaround, we knew this level of service wouldn't fly — especially around the holidays. Since joining ShipBob, we've seen a reduction of 70% on shipping costs in the US, which helps keep conversions high."**

*Greg MacDonald,  
CEO & Founder of [Bathorium](#)*



## 2 Thinking Through International Shipping

*The logistics behind sending orders outside your home country.*

Branching from strictly domestic shipping to sending orders overseas is an exciting step for any business. With big changes come additional challenges to navigate. As you launch your business into international markets as part of your overall ecommerce fulfillment strategy, many of the challenges will be based on navigating cross-border shipping and logistics.

International shipping is typically more expensive than domestic shipping due to distance, tariffs, and taxes. Before you start selling internationally, make sure you calculate shipping and handling costs (from fulfillment and warehousing, to shipping supplies and import duties) to ensure you come out profitable at the end.

Many countries restrict the types of products that can be imported from other countries. Even if your product can legally ship to a country, it doesn't mean it will be a simple fee. When expanding internationally, make sure you do thorough research on import laws, taxes, and import duties (which can be different for each country) to determine where you can legally sell your products and how much it will cost you to do so.

You also have the option to tailor available shipping methods and how you charge for shipping based on the customer's destination country, including slow and expedited options, flat-rate shipping, real-time rates, or free shipping over a certain threshold.

## Use these tips to nail your international shipping.

### Check how your products are classified

It's important to check that all of the products that you wish to sell and ship internationally are allowed to cross and enter foreign borders. As mentioned earlier, many countries restrict the types of products that can be imported from other countries.

This includes prohibited items (e.g., HAZMAT or dangerous goods), packages over a certain weight, and other restrictions. Though there is no universal product classification system, different countries use standardized coding systems to distinguish between products.

### Choose the right packaging

Selecting the right packaging is always important, no matter where you're shipping your products. But with international orders, your packages are in transport for much longer than a domestic delivery, so packaging is extra important.

Additionally, packages endure more modes of transportation than a domestic delivery (e.g., truck, boat, etc.), which can lead to most risk of damage.

Before you begin shipping internationally, assess dimensional weight to ensure cost efficiency in packaging and proper packing for fragile items. This way products can be transported and delivered damage-free, whether orders are being delivered via truck, plane, and/or boat.

### Find ways to reduce cart abandonment

If you sell an inexpensive product that has a higher shipping cost than the item itself, you will likely have a higher cart abandonment rate as more shoppers bounce when they're surprised by their total at checkout.



**There are various ways to increase your average order value on international orders.**

- 1 Update your checkout to show local rates and estimated delivery times.**
- 2 Mitigate consumer confusion and increase conversion by making sure product pricing and shipping rates are shown in local currency.**
- 3 Opt for DDP shipping. We'll explore all of the benefits DDP can offer in the next chapter.**
- 4 Offer a mix of shipping options including standard and expedited shipping.**
- 5 Increase AOV by offering bundles and cross-selling similar items.**

### **Anticipate and budget for shipping costs**

Due to international shipping being more expensive than domestic shipping, calculate shipping and handling costs before you start selling internationally to ensure you come out profitable at the end.

Depending on the country's restrictions, even if your product can legally ship to a country you may face a hefty fee. Like previously mentioned, factor in costs for import laws, taxes, and import duties to determine your true shipping costs.

You have the option to tailor available shipping methods and how you charge for shipping based on the customer's destination country, including slow and expedited options, flat-rate shipping, real-time rates, or free shipping over a certain threshold.

## 3

## Understanding DDU vs. DDP Shipping

*Evaluating the cost-benefit analysis of import duties upon arrival in a destination country.*

Many ecommerce companies don't offer international shipping because of the added complexity of international shipping. One of the reasons businesses tend to hesitate is due to import duties (AKA taxes).

These taxes on imports make international shipping more expensive and require added paperwork and expertise to navigate. While it may be a daunting undertaking, it's worthwhile: 70% of shoppers would be more encouraged to make a purchase from another country with a guarantee of no additional charges or taxes aside from those mentioned at checkout.

The two most common types of duties are Delivery Duty Unpaid (DDU) and Delivery Duty Paid (DDP). Both methods were developed by the International Chamber of Commerce which helps to standardize shipping options throughout the world.

### Delivery Duty Unpaid (DDU)

A type of shipping where the seller is responsible for ensuring goods arrive safely to a destination but the buyer is responsible for import duties.

### Delivery Duty Paid (DDP)

A type of delivery where the seller takes responsibility for all risk and fees of shipping goods until they reach their destination. DDP is best for high-value items (i.e., an average order value of greater than \$30).

## How are import duties collected?

First, the value of the goods being imported are declared to customs by the importer in the manifest declaration. Then, customs officials assess the value of the goods upon receiving them and calculate the required duties, which must be paid when the goods arrive at the border.

If protocol is not followed, it can result in a delivery exception, resulting in customs delays. While DDP is a good deal for the buyer, it may be a big burden for the seller because it can quickly reduce profits if handled incorrectly.

<b>In-Country Fulfillment</b>	<p><b>Pros:</b> Fast, no duties, best customer experience</p> <p><b>Cons:</b> Additional inventory &amp; warehouse, complex</p>
<b>Delivery Duty Unpaid</b>	<p><b>Pros:</b> Easiest, little burden on merchant for duties/taxes</p> <p><b>Cons:</b> Delivery issues, poor customer experience</p>
<b>Delivery Duty Paid</b>	<p><b>Pros:</b> Can be easy to execute with technology, good customer experience</p> <p><b>Cons:</b> Slower than most in-country fulfillment</p>

## Why sellers use DDP:

### To protect the buyer

DDP benefits the buyer since they aren't liable for the shipping costs, which makes them more likely to purchase products without fear of being scammed or having to pay high taxes. When using DDP, the seller assumes all the risk and cost of shipping products so it's in their best interest to make sure customers actually receive what they ordered. The time and cost associated with DDP shipping are too big of a burden for scammers to even consider using it.

## To ensure safe delivery to the place of destination for international trade

Every country has its own laws regarding transport, import duties and shipping fees. DDP makes the seller committed to only sending packages on the best and safest routes. Depending on the type of product and where it's sold, safe delivery by air or sea can be difficult. This ensures sellers don't take the money and run before the product gets to the destination port.

## To increase sales

On average, conversion rate is 3x higher and AOV is 17% higher than domestic orders.

## To improve customer retention

You're able to provide a premium brand experience to international customers by streamlining checkout to show shoppers upfront costs at checkout, providing tracking information at every step of the transit, and alleviating surprise fees at delivery. DDP streamlines operations by eliminating customs complexities, reduces stress on in-house customer service teams, and allows for an easier returns process.

"There's a pair of Ombraz on every continent, so international shipping is very important to us — not only in terms of costs but also the customer experience. ShipBob offers us the ability to reduce taxes and tariffs that come with international shipping. Now, Canadian-based orders will see a large reduction in shipping costs. We want everyone to get their Ombraz in a few days or less with no duties at delivery. Our goal is to remove the barriers to purchase. Now, a customer can get their package without spending an extra 25 euros or Canadian dollars on duties and taxes after purchasing a pair of sunglasses."

*Nikolai Paloni,  
Co-Founder of Ombraz Sunglasses*

## The DDP timeline:

DDP follows a simple supply chain timeline. The seller retains most of the liabilities until the products arrive to the buyer. There are four major steps involved.

### 1 Seller hands off package to carrier

Sellers are incentivized to use trusted carriers because it reduces overall shipping costs and prevents lost or damaged orders.

### 2 Package is shipped to its place of delivery

Packages can be shipped via any method of transportation (i.e. ships, planes, and vehicles). With a trusted shipping partner, the seller incurs less risk and can be certain the package is actually delivered.

### 3 Package arrives in destination country and VAT is charged

The seller takes on the cost of the VAT for the shipment. This aspect of DDP shipping that benefits the buyer.

### 4 Package is dropped off at its final destination

Once the package arrives, the buyer is now responsible for the actual product. At this time, D2C companies can expect to hear from the customer if there are any issues with the delivery.

**"I've been fortunate to ship orders to customers from around the world. The process of shipping internationally to optimize costs has been easy. Otherwise ShipBob handles everything for me. Best of all, the price that ShipBob charges to ship internationally is less than it costs for me to print a USPS label myself."**

*Anastasia Allison, founder of [Kula Cloth](#)*

## 4 Defining a Global Fulfillment Strategy

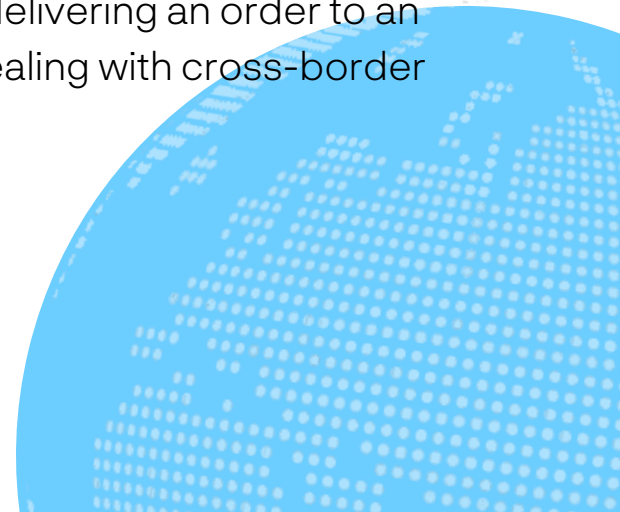
### *Evaluating locations, services, and 3PLs.*

Once you've mastered shipping your products internationally and you're ready for a more prominent presence in other key countries, global fulfillment becomes a more viable option. Unless you're a giant retailer, you'll likely need a 3PL partner to manage fulfillment overseas. If you're ready to implement global fulfillment, here's how.

First, you will need to evaluate your current physical distribution of goods. For instance, if you're storing inventory and shipping orders from a single warehouse location in your home country, you will have to calculate how much it will be to transport inventory overseas.

You can store some inventory in a fulfillment center within the country you're expanding into to have orders picked, packed, and shipped from there. Global fulfillment reduces many common customs and tariff issues since inventory is already stored within the country and can be shipped domestically.

Based on where you ship from and where you're shipping to, most often several modes of transportation are involved in delivering an order to an international destination — especially if you're dealing with cross-border shipping.





## Utilizing a 3PL for Global Fulfillment

There are a lot of nuances to getting started with and mastering global fulfillment. In order to succeed at global fulfillment, you'll want to partner with a third-party logistic provider who has a proven record of global fulfillment.

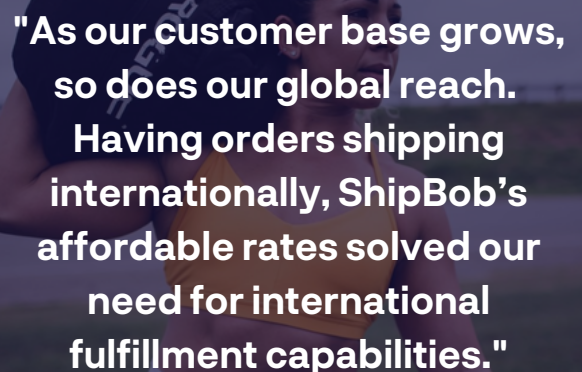
### Here is a closer look at how a global 3PL like ShipBob can help your business expand internationally:

#### Reduce shipping costs and transit times

Most SMB brands start out with a 3PL in their home country, then utilize distributed inventory in different regions there to reduce transit times and costs. From there, businesses consider utilizing an international 3PL as the next phase of expansion in order to reach customers all over the world.

Utilizing a distributed inventory approach is a cost-effective way to ship orders instead of constantly shipping overseas for every international order. Distributing your inventory internationally greatly reduces the distance products have to travel, the number of hands it passes through, and the taxes to be paid.

ShipBob customers have the ability to ship orders to customers all over the world. We also provide international fulfillment services with fulfillment centers in Canada, the EU, the UK, and Australia. This helps to reduce shipping costs and transit times for international customers, rather than dealing with expensive and complicated cross-border shipping processes.



**"As our customer base grows, so does our global reach. Having orders shipping internationally, ShipBob's affordable rates solved our need for international fulfillment capabilities."**

*Carl Protsch,  
Co-Founder of FLEO*

## Manage inventory and orders from one dashboard

When you're shipping from multiple fulfillment centers — especially around the world — things can get complicated. With ShipBob, you have visibility into inventory tracking to view your stock levels and ensure you have enough product in each location for inventory accuracy. ShipBob's fulfillment technology includes built-in inventory management tools to help you keep track of stock levels, set automatic reorder notifications points, and access advanced data and analytics.

## Get access to a best-in-class technology

Having technology in place to support and advance your business as you scale internationally is important.

ShipBob has proprietary technology that gives merchants real-time updates on inventory stock levels, orders being processed, and international tracking for orders that have shipped via UPS, DHL, and FedEx.

Data from this technology and reporting gives you a competitive advantage. Using dashboard analytics helps you better understand which fulfillment centers you should stock, days of inventory left before you run out, impact of promotions on stock levels, each shipping method's average cart value, shipping cost, and days in transit, your fulfillment cost per order, storage cost per unit, and much more.



**"We realized we needed a global fulfillment provider as our customers were tired of paying for international shipping. ShipBob has multiple fulfillment centers and all locations filter back into one centralized warehouse management system. By distributing our inventory across countries and regions, all of our customers are able to get their orders much faster while paying reasonable domestic shipping rates."**

**Wes Brown,**  
Head of Operations at [Black Claw LLC](#)

## Common markets in which to expand:

ShipBob understands the importance of having a global presence, which is why we are dedicated to establishing international fulfillment centers across the globe. Our locations throughout the world allow us to better serve our merchants and help business owners to create an international footprint.

All of ShipBob's fulfillment locations run on our warehouse management system, follow the same SLAs, and are supported by the same best-in-class team to provide the same level of world-class fulfillment and transparency across our fulfillment network through our dashboard.

### Here are just a few of the most common international markets that ShipBob helps its merchants break into:

#### The European Union



The European Union is made up of 27 countries including large market opportunities like France, Germany, Italy, and Ireland. In 2020, retail ecommerce revenue in the European Union reached over \$500 billion USD and is projected to reach \$569 billion USD by 2025.

Branching into Europe gives you the opportunity to fulfill international orders in European countries. ShipBob has fulfillment centers throughout the EU which takes care of complexities such as customs, taxes, and your company's freight options.

## The United Kingdom

In 2019, ecommerce revenue exceeded £693 billion in the UK, which is arguably the most advanced ecommerce market in Europe. If you're looking to grow your ecommerce business internationally, selling across the UK is a great place to begin your business's expansion.

As a supplement to the EU fulfillment center, ShipBob has two facilities in the UK: one in Manchester, England and another in London, England. ShipBob is partnering with Royal Mail and DPD carriers, securing discounted shipping rates and fast delivery times.



**NOTE: Brexit, short for "British exit," refers to the withdrawal of the UK from the EU, which went into effect in January 2021. This means that the UK is no longer a part of the customs union that all EU countries belong to.**

**Northern Ireland will have a dual-status post-Brexit, meaning they will take part of UK customs territory but also be part of the EU single market for VAT purposes.**

## Canada



In 2020, Canada's retail ecommerce sales hit \$52.04B CAD, and the market is expected to grow to \$79.84B CAD by 2024.

Expanding to the Canadian market allows you to reach millions of new customers.

Located in Ottawa, ShipBob can help you offer Canadian customers the ideal ecommerce experience.

## Australia

In 2020, ecommerce revenue exceeded \$34.5 billion in Australia, and is expected to grow 6.2% annually between 2021-2026.

Due to this growth, Australia is a great place to focus your expansion efforts. Located in Melbourne, ShipBob's Australia fulfillment center enables you to meet Australian-based customers.



## How to reach international customers with ShipBob:



### Integrate your ecommerce shop and send ShipBob inventory

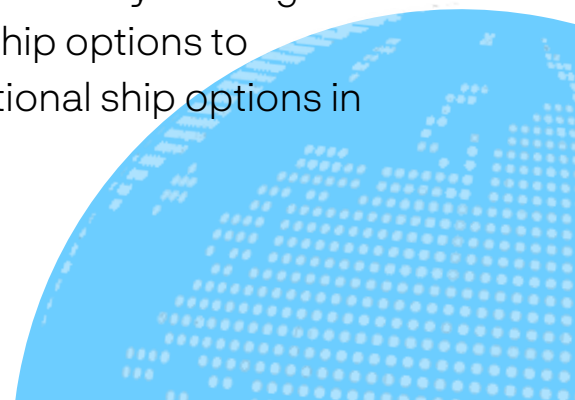
ShipBob has native integrations with leading ecommerce platforms and marketplaces. Thanks to this functionality, you can easily connect ShipBob's technology.

Once your products are synced, you can ship your inventory to one or more of our fulfillment center locations. Once orders are placed, they will automatically be sent to ShipBob to be fulfilled and shipped.



### Set up international shipping options

ShipBob can ship orders internationally, but you have to configure your international shipping options to ensure pricing consistency. Through the ShipBob dashboard, you can easily map domestic ship options to international ones. Learn how to set up your international ship options in ShipBob [here](#).





## Set up customs information

The next step is to fill in customs information (tariff codes, sales prices, and detailed descriptions) about each inventory item in ShipBob's dashboard. Getting this step right will ensure that your shipment flows smoothly across the border without delays.



## Expand into fulfillment centers across the globe

As your business grows internationally, you can choose to expand to new markets. If you're seeing a large volume of orders in a different country, you have the option to expand into any of ShipBob's other international fulfillment center locations.

That way, you save on costs and speed up transit times by shipping a bulk of inventory internationally and have international orders fulfilled and shipped within the country.

**"Since our customers are all located in Australia for now, I needed a 3PL that could operate locally with real efficiency; but at the same time, I knew from the very beginning that I eventually wanted to bring Craft Club Co. to other countries like Canada, the UK, and the US, so the ideal partner would have fulfillment centers in the countries we targeted as well as the ability to support us as we went international.**

**I researched a couple of local fulfillers that only had fulfillment centers in Australia, but as soon as I heard about ShipBob, I knew I'd found the best solution."**

*Nakisah Williams, Founder of [Craft Club Co.](#)*

## 5

# Glossary of Terms

*Terms and concepts to know as you expand internationally.*

## Country of Import

The specific import duties international shippers must pay depend largely on the country to which the products are being shipped. Each country has its own set of customs, rules, and duties.

## Customs

Customs refer to a country's import and export laws and regulations. The customs department administers and collects the duties imposed by a government on imported goods.

## Duties

Payment or tax that must be paid before a shipment can be delivered. Import duties vary in each country and have their own set of requirements.

## Product Sold

The type of product being imported is crucial for determining import duties and fees. Some goods are taxed heavily and others very little. This may be a factor at the ingredient-level.

## Tariffs

Tax on imported or exported goods, which raises the price of an imported good. Different countries have various tariffs for incoming shipments.

## Value Added Tax

A trade agreement between countries, Value Added Tax (VAT) is a tax on the amount by which the value of an article has been increased at each stage of its production or distribution.

## 6

## Conclusion

The journey from partnering with a 3PL for fulfillment to shipping internationally to fulfilling orders from global facilities can be nerve-wracking, but it's worthwhile. The demand is there: 57% of online shoppers around the world made at least one online purchase from another country in the last 12 months, while another 22% considered doing so.

With the right partners, technology, and processes in place, businesses can scale from shipping orders domestically to having inventory in fulfillment centers across the globe relatively seamlessly.

The trajectory of this guide outlines how businesses can grow their operation and take it abroad to make their products available worldwide. By understanding these principles and taking action using these steps, you'll be able to advance your business toward successful international fulfillment.





## About ShipBob

With four global fulfillment centers and more continuously underway, ShipBob is a trusted partner for international fulfillment. ShipBob ships to all countries served by USPS, UPS, FedEx, DHL, and other carriers with discounted international rates.

Thanks to ShipBob's global presence, business owners are able to meet delivery time expectations by keeping inventory near their customers, which reduces the time in transit and allows for international orders to arrive faster. It's not uncommon for it to take a month for an international order to be delivered — but with ShipBob, you're able to create a better experience for your customers all over the globe.

[Request a quote](#) to get started with ShipBob today.

We ship. You grow.