



E-commerce Beyond Borders

20 JUN 2022 – The Internet is without borders, so commerce built atop this infrastructure (e-commerce) should operate on the same principle.

However, buying something online and making it appear offline is complex. Miles need to be crossed, manpower needs to be invested, and methods need to be flawlessly followed to facilitate the connection between the online and offline realms.

As an e-commerce seller, you might have wondered: how can I further close the gap between the Internet – the promoting factor of my business, and logistics – the limiting factor of my business?

Consider shoppers beyond your borders

What else can you do to grow your sales?

You can expand your scope of products, also known as a horizontal expansion, or expand vertically by specialising in one or just a few peripheral categories. Of course, you can also find a hybrid model that meets your business needs.

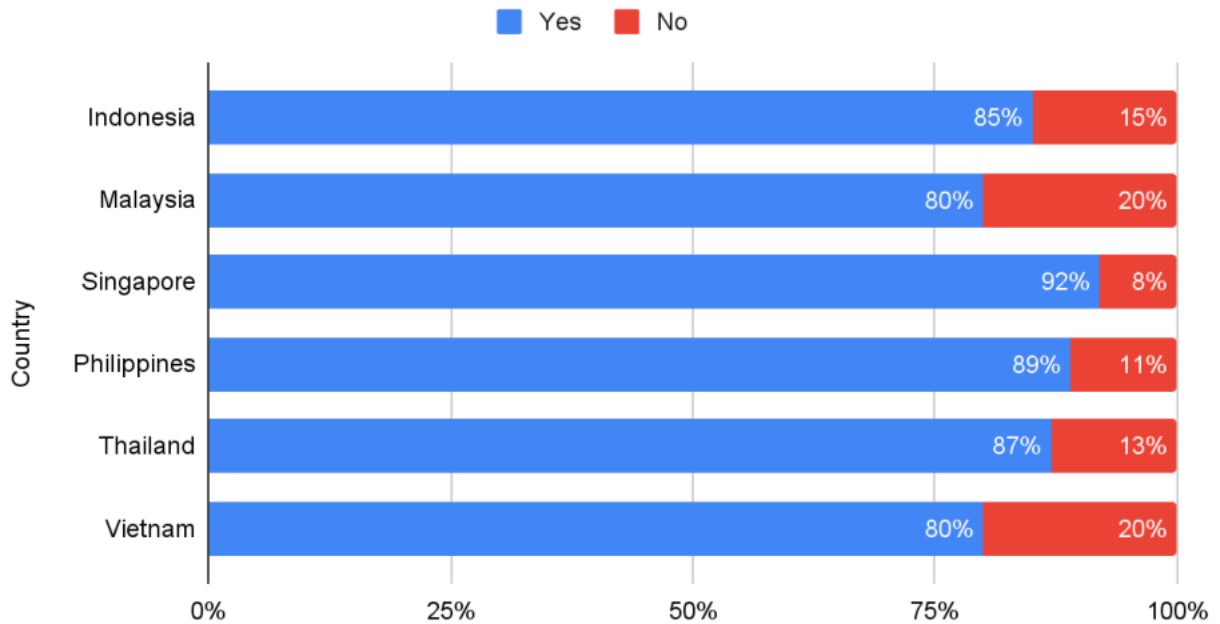
If you have found the right product-market fit in your country, regional expansion may be just what is needed to achieve new growth. Consider bringing your local experience and expertise to a wider platform and amplifying your reach to shoppers beyond your borders.

And if you wonder whether these shoppers will shop from a foreign website, fret not.



1. They are already shopping from overseas e-commerce.

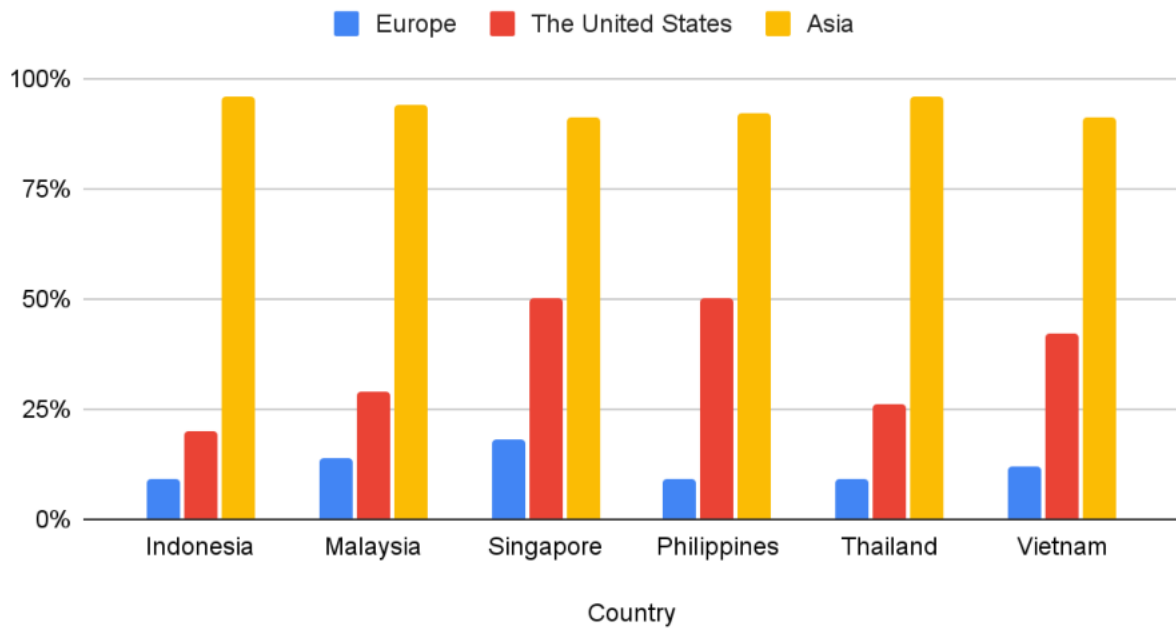
Do you buy from foreign websites?



Additionally, not only have the overwhelming majority of shoppers bought from foreign websites, most continue doing so at high frequencies. 74% in Vietnam said that they have shopped several times from foreign websites, followed by Singapore (67%), Thailand (63%), Indonesia (62%), and Malaysia (61%). The Philippines saw the lowest engagement at 48%, still a significant size, just slightly under the halfway mark.

The survey also reported that over 90% of respondents bought from Asia – a stark difference compared to Europe and the United States.

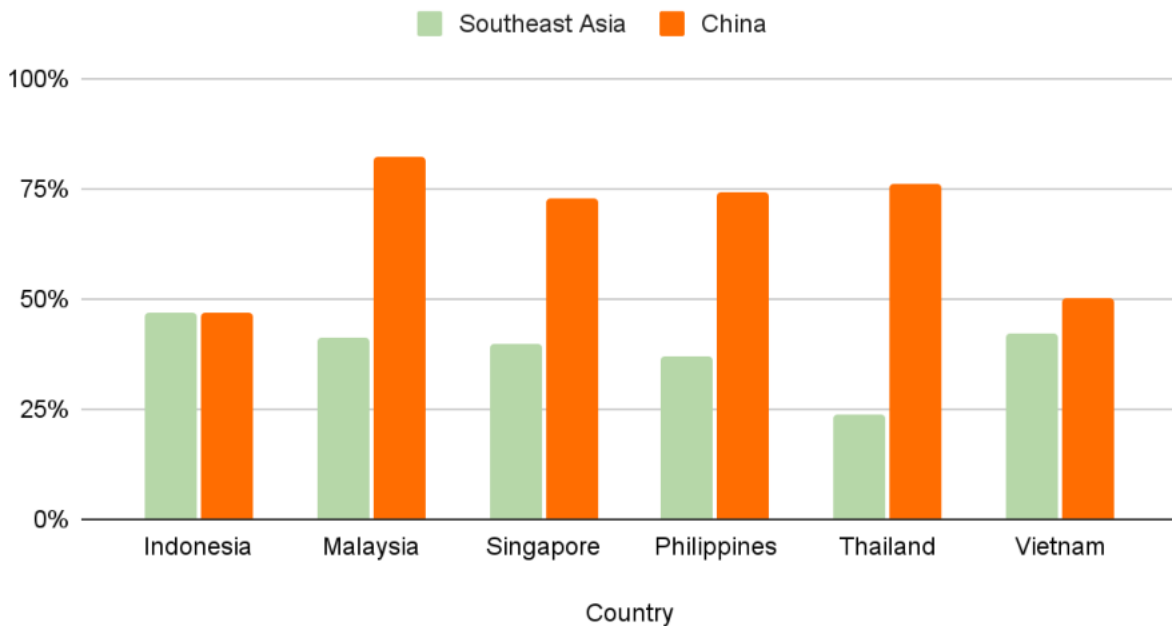
Where do you buy from?



While a lot of their overseas purchases were sourced from China, there is a significant comfort level in buying products from their Southeast Asian neighbours.



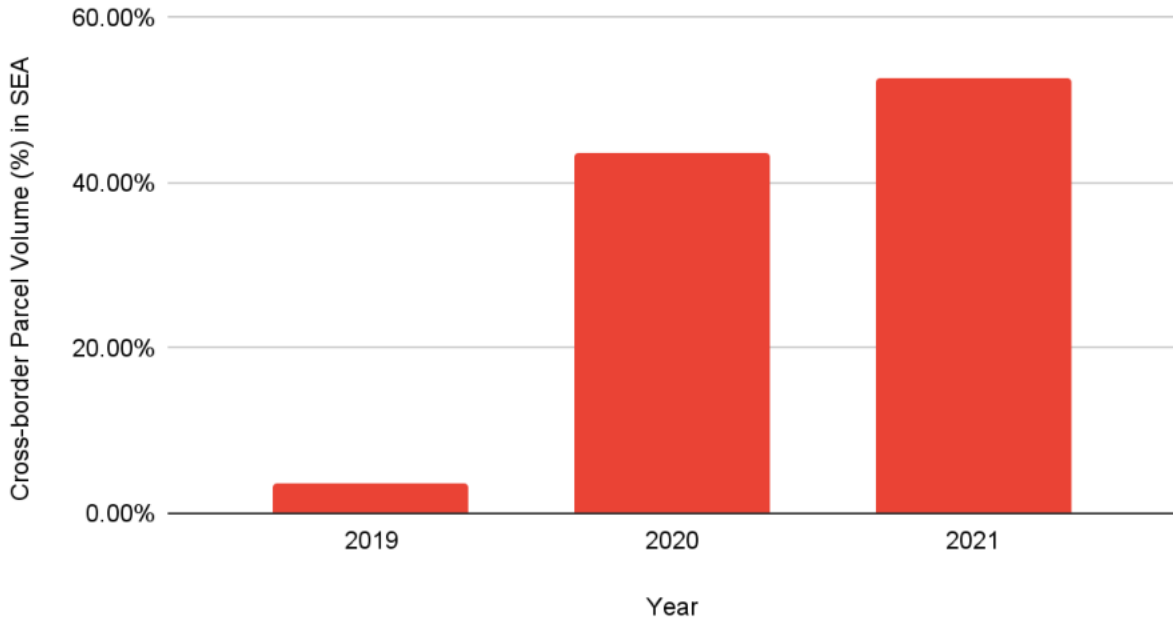
Which part of Asia do you buy from?



These consumer trends present a high potential expansion opportunity for Southeast Asia (SEA)-based businesses in the region. With many shoppers accustomed to buying from overseas, there is little need to promote cross-border buying behaviour from scratch.

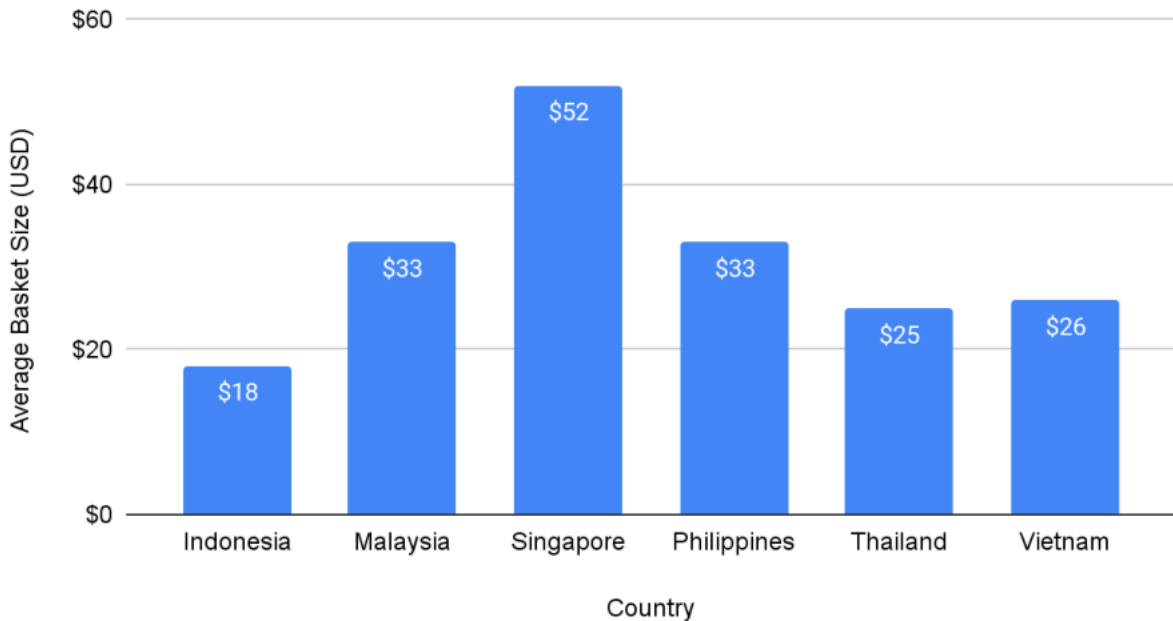
The survey data corroborates with Ninja Van Group's cross-border parcel volume data too. Before the COVID-19 pandemic from 2019 to 2020, we saw a 1100% growth in cross-border parcel volume in SEA. In the heat of the COVID-19 pandemic between 2020 to 2021, we still saw a 20% growth despite varying degrees of border closures to curb the viral transmission.

Cross-border Parcel Volume (%) in SEA



2. They can – and will – spend.

How much do you usually spend in one purchase?





The well-oiled narrative of how SEA has been and is still seeing the growth of a huge middle class is strongly supported by the average basket size (ABS) – average dollar value spent per order – across SEA. Interestingly, Singapore, with the smallest population (5.45 million) among the six countries, clocked the highest ABS (USD52), while Indonesia, with the largest population (276 million) among the six countries, saw the lowest ABS (USD18).

3. They buy a lot. Frequently.

In June 2021, the surveyed shoppers recalled receiving more than one parcel per week.

Ninja Van Group's data attest to online purchases' high frequency and volume. We see a whopping two million parcels delivered per day in the six countries where we are equipped with 100% network coverage.

To cater to this growth, Ninja Van Group has added sizeable automated hubs and sortation systems in Singapore (October 2021) and the Philippines (April 2022), as well as cutting-edge dim weighing systems – machines that size and weigh parcels for fair billing and time-saving – in Indonesia (July 2021), soon to be rolled out in other countries.



Two main barriers to entry

Now that we have established the prospect of selling regionally and thereby stretching the potential of e-commerce beyond borders, why are we not seeing more e-commerce sellers capitalising on this potential?

We distilled the answer into two parts.

1. The need to localise – extensively.

SEA is highly fragmented. While your chosen market can be just across the strait, its operating environment can be worlds apart from your home country.

Localising shopper experience – from currency to language to culture – is therefore critical to your cross-border e-commerce success.

Let us look at how localisation plays a part in getting the shoppers to

- know you
- want your products
- buy from you



Awareness

For the shoppers to know you, you must first know your shoppers. Do not expect them to behave the same as those shoppers on your home ground.

Evaluate these key components:

- Primary language – do you need to translate your marketing messages?
- Cultural sensitivity – could your product images be deemed offensive to any religious group?
- Marketing channel – how do your target shoppers find you? What do they do on their preferred social media channel, if they are on any at all?
- Shopping season – when do your target shoppers buy, and not buy?
- Online shopping behaviour – how do your target shoppers pay for their online buys?

Quick tip: Identify a few competitors in the market and experience their shoppers' shopping journey. That should help to fast-track a large portion of the above checklist.

Consideration

To better manifest desire for your products, you should create a desirable shopping experience.

Think about these questions that your target shoppers can be harbouring when they are on your e-commerce site:

- Do I know immediately what solution this site is offering me?
- Is this site a breeze or a maze for me to navigate?
- Is this site giving me all the information I need for decision-making?
- Are answers to my questions available at my fingertips on the site?
- If I need additional assistance, is it easy for me to get the attention I need?

Quick tip: Keep in mind that

- One desktop screen is equivalent to at least three mobile screens. So shopping on desktop and on mobile are two different experiences.
- [Internet speeds differ in each country](#). As a general rule of thumb, keep your e-commerce site light and easy to load.

Conversion

For your shoppers to buy from you, transparency is key.

Make these information easily available on the checkout page:

- Currency conversion
- Duty and taxes
- Shipping costs and options



Estimated arrival date

You do not need an array of payment methods. You just need to curate a few that work for most of your target shoppers. Cash-on-delivery is still a wildly popular option in most of SEA.

Quick tip: Use the blueprint of your already successful e-commerce business back home as an entry point to the new market. Then iterate. Always conduct tests to see what works and what does not.

2. The need for excellent logistics

Your sales volume is nothing if you have no means of realising them from pixels on screens to parcels on doorsteps.



Cross-border logistics is laden with paperwork that ensures shipping rules and regulations – which differ from country to country – are adhered to.

This is what a grossly simplified cross-border process looks like in general:

1. **Collecting:** Freight forwarders or aggregators collect the goods from your place of business or you arrange for your shipment to be dropped off at your supplier's designated address.



2. **Consolidating:** If you are shipping a less-than-full truckload, your shipment needs to be first consolidated with others. To save costs, loading onto your selected transport will only start when a truckload is maximised. If cost is not an issue, you can pay a premium to buy the entire space.
3. **Clearing export customs:** Custom officers in your home country will inspect your shipment and its accompanying documents.
4. **Travelling (Cross-border freight):** Once export customs is complete, your shipment will be loaded on your chosen mode of transport. However, all shipments are subjected to offloading at ports as determined by the freight carriers.

89%

Consider it **important to know** who the shipping company is

 **97%**

 **92%**

 **89%**

 **96%**

 **72%**

 **85%**

5. **Clearing import customs:** Custom officers in your target country will inspect your shipment and its accompanying documents. You are also subjected to duties and taxes (D&T) based on prevailing tax regulations in each destination country. D&T has to be paid to the respective authorities before goods can be released.

6. **Travelling (Domestic haul):** Once customs clearance is complete, your order will go to the next waypoint in the destination country.

7. **Sorting:** This process usually happens in the sorting hub, where goods are sorted into batches to be dispatched to the waypoint nearest to the goods' eventual destinations.

8. **Travelling:** The batched goods are delivered to the next waypoint.

The above process takes minimally four days by air, and can even stretch up to five weeks by sea.

And we have yet to discuss last-mile delivery, the final step that closes the distance between your goods and your shoppers.

9. **Sorting:** Goods will be sorted again and this time, designated to delivery personnel based on shoppers' addresses.
10. **Loading onto delivery vehicles:** Delivery personnel will scan and load the parcels onto their vehicles.
11. **Delivering:** When on the road, delivery personnel use a mix of technology (e.g. route planner) and experience (e.g. radio for real-time traffic updates) to inform them of the optimised routes.
12. **Receiving:** Once your shopper acknowledges receipt of your goods, that is when you can heave a sigh of relief.

So if you think that shipping companies are a mere commodity – think again.

Most interviewed shoppers – 89% of all 9,000 respondents across six countries – want to know who their delivery company is.



When quizzed, more than 50% of shoppers' replies reflect that it is important to know as they would like to choose a delivery company which guarantees a good delivery service. In fact, 35% of shoppers have their preferred delivery company.

Many shoppers also shared that knowing the delivery company provides them reassurance that their parcels are in good hands.

When asked about their delivery preferences, most countries voted for "real-time tracking" and "delivery where I am located". The importance placed on these options points to the fact that a hassle-free experience is of utmost importance to the shoppers.

Delivery preference index - ranking

						
1st	Real time tracking	Real time tracking	Real time tracking	Real time tracking	Real time tracking	Delivery where I am located
2nd	Same day delivery	Delivery where I am located	Delivery where I am located	Delivery where I am located	Delivery where I am located	Real time delivery
3rd	Delivery where I am located	Advanced notifications (1hr ahead)	Option to reschedule	Advanced notifications (1hr ahead)	Know the exact one-hour window of the delivery	Several delivery options

Enabling hassle-free deliveries

While you vie for a simple and seamless shopping experience for your shoppers, Ninja Van vies for a simple and seamless shopping experience for you.

The two main barriers, localisation and logistics, to cross-border e-commerce are complex. While Ninja Van may not be of direct help to you in the former area, Ninja Van can take the weight off you in the latter. By doing the heavy-lifting in logistics for you, we hope to free you up to concentrate on localisation matters.

Being in six countries – Singapore, Malaysia, Philippines, Indonesia, Thailand and Vietnam – with 100% network coverage also equips us with transferrable experience and expertise to share with Ninja Van shippers.



How Ninja Van shippers do it

[In the Box Global](#), a Singapore-based company selling mattresses and pillows, is one of them. It has recently expanded into Malaysia with our cross-border services and is now using Ninja Fulfilment too.

This is Ninja Fulfilment in a nutshell:

1. **Receiving inventory:** Inbounding shipments from suppliers
2. **Storing inventory:** Organising and storing products in the warehouse
3. **Picking order:** Picking processed orders from the shelves
4. **Packing order:** Packing picked orders with proper packages (e.g. bubble wrap for fragile products)
5. **Delivering of orders:** Arranging pick-ups for last-mile delivery to shoppers



Established brands, like [iHerb](#) – the US-based company selling supplements and [Manscaped](#) – the UK-based men’s grooming brand, use Ninja Van’s customs clearance and last-mile delivery services in the Philippines and Singapore respectively.

[Eskayvie](#), a 10-year-old Malaysia-based manufacturer of wellness supplementary products, recently tapped on Ninja Van’s local connections to explore entry to Singapore and Indonesia as well.

Conclusion

The gap between the e-commerce opportunity that the Internet offers and the reality that is rooted in logistical challenges can be bridged, but not without a notable capital, significant manpower, and a sizeable risk appetite of the business owner.

Therefore, e-commerce beyond borders is not for everyone.

An easier way to explore the concept might be through partnering marketplaces, like Shopee and Lazada (Ninja Van is proud to be the shipping partner for both). These marketplaces have already established their audiences in SEA, hence solving a bulk of your localisation barrier. They also have established relationships with shipping partners that have ironed out most wrinkles in end-to-end Logistics, from cross-borders to in-market solutions.



All things considered, if you are keen to explore e-commerce beyond borders, do choose Ninja Van to be your partner for hassle-free deliveries!



Methodology

[GfK](#) was commissioned by DPDgroup and Ninja Van for the online data collection that this paper is based on. Fieldwork was conducted in July 2021 with a nationally representative sample for each market:

- Indonesia: 1525
- Malaysia: 1551
- The Philippines: 1771
- Singapore: 1502
- Vietnam: 1524
- Thailand: 1517