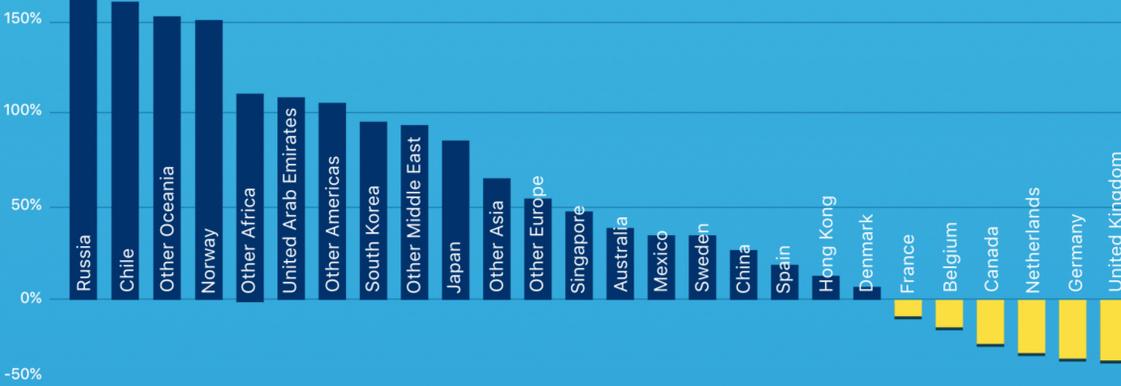


THE COST OF SHIPPING GLOBALLY: A TOP 20 MARKET ANALYSIS



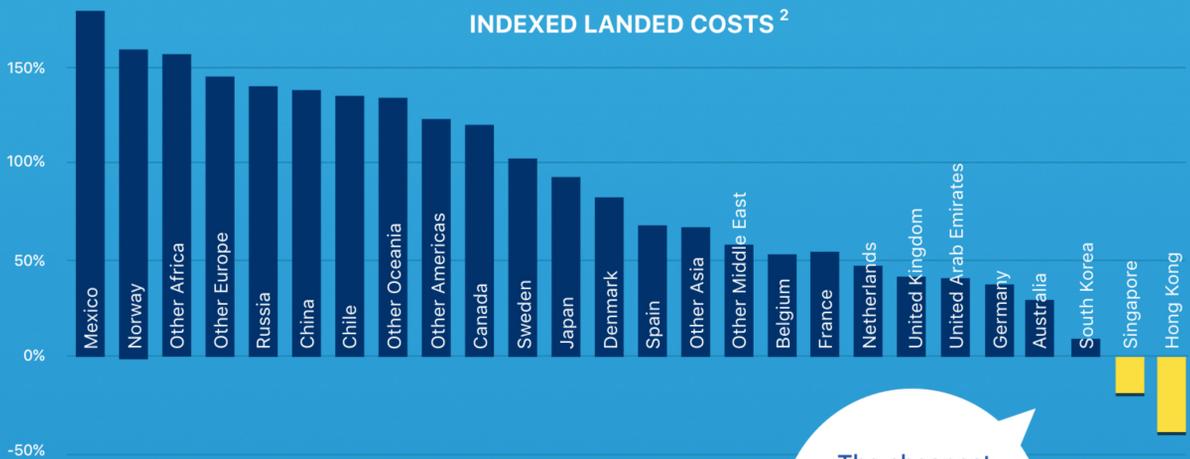
The below cost indexes are based on shipping a 3lb package containing a \$100 woman's knit sweater from the U.S. to the top 20 global ecommerce markets.

INDEXED SHIP RATES ¹



6 countries have international shipping costs cheaper than domestic U.S. rates.

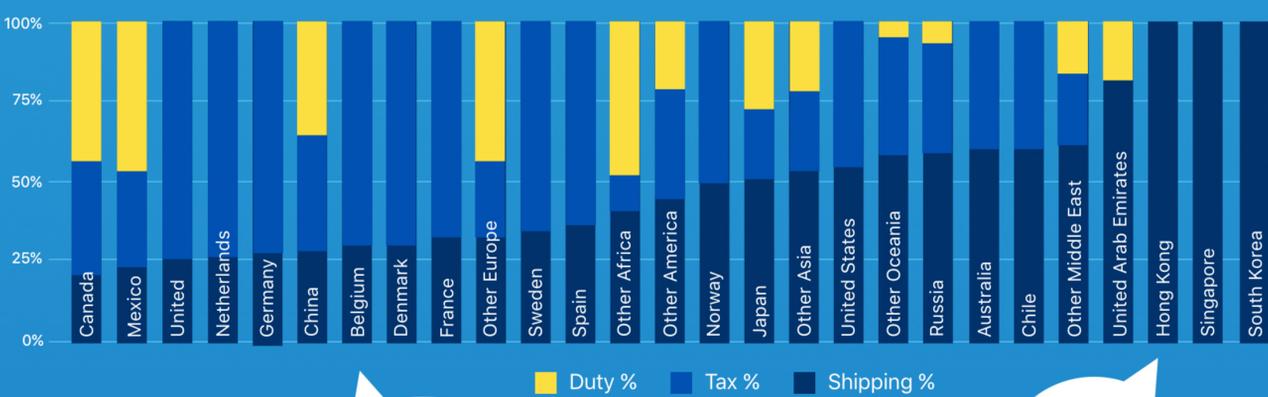
INDEXED LANDED COSTS ²



Where shipping costs are highest, luxury products would still be viable in **Mexico, Africa and Norway.**

The cheapest countries to ship from the U.S. to are **Hong Kong and Singapore**

LANDED COSTS BY COMPONENTS ³



Countries without yellow bars fell below "de minimis"⁴ threshold for duties, which ranges \$100-200

Hong Kong is a tax free zone

Depending on a retailer's price point and customer expectations, some of the shipping options⁵ brands can offer include:



"Cost plus" shipping

When a retailer increases shipping prices to cover other costs (i.e. concierge service).



"Tiered" shipping

When a retailer offers free standard shipping over a certain order value, as well as flat-price express shipping.



Select free shipping

When a retailer offers free shipping to target markets with "cost plus" or "tiered" to lower tier markets.



Select duty free

When a retailer offers duty free shipping in target markets subsidized by "cost-plus" or "tiered" shipping in lower priority markets



Worldwide free shipping

When a retailer covers all costs of shipping worldwide.

To implement the optimal type of shipping for their products, retailers and brands leverage the target market's landed costs and the local customer expectations to come up with a strategy that's right for their business. A global ecommerce solution like Flow can guide clients toward the most conversion-optimized and cost-efficient shipping decisions.

¹ This chart compares the best shipping rates available to each market as quoted to Flow.

² This chart uses the best shipping rates available to each market as quoted to Flow, plus duty and tax information from Flow's Harmonization Engine.

³ "Landed cost" is the total cost of a product once it has arrived at a buyer's door, including shipping, duty and tax.

⁴ "De minimis" is a threshold exempting imports from duty and or tax/VAT and differs by country.

⁵ These shipping options are part of Flow's offering.

⁶ Source for icons and is subject to copyright: www.woocommerce.com/2013/06/free-pik-free-ecommerce-icons

