

MERCHANT EXPORTERS

BEYOND EXPORTING ➤

The Complete Guide to Global eCommerce Logistics from India

Master International Shipping, Customs Clearance, and FBA Compliance

- ☐ Transform logistics from your biggest headache into your competitive advantage. Learn the proven strategies that help successful eCommerce brands achieve 95%+ on-time delivery, reduce shipping costs by 15-30%, and eliminate FBA compliance issues.

Choose between air and sea freight for optimal cost and speed

Navigate customs clearance without delays or compliance issues

Ensure FBA compliance and avoid costly rejections

Reduce total shipping costs by 15-30%

Achieve predictable timelines for inventory planning

Know when to partner with logistics experts vs. DIY



Table of Contents

Foundation & Strategy

- 1. Why Logistics Makes or Breaks eCommerce Success
- 2. The 7 Logistics Mistakes Killing Your Momentum
- 3. Understanding Your Shipping Options: Air vs. Sea
- 4. The Complete Customs Clearance Process
- 5. FBA Compliance: Requirements and Best Practices
- 6. Cost Optimization Strategies That Work

Execution & Results

- 1. Timeline Planning and Inventory Management
- 2. Tracking, Visibility, and Communication
- 3. DIY vs. Logistics Partner: Making the Right Choice
- 4. Case Study: 98.5% On-Time Delivery Success
- 5. Your Logistics Optimization Checklist
- 6. Next Steps: Transform Your Supply Chain



Why Logistics Makes or Breaks eCommerce Success

You've found the perfect products. You've negotiated great pricing with Indian suppliers. Your marketplace listings are optimized. Everything is ready for success—except your products are stuck in customs, your FBA shipment was rejected for labeling issues, or your inventory arrived three weeks late, causing stockouts during your peak season.

Logistics is the invisible force that determines eCommerce success or failure. While most brands obsess over product selection and marketing, logistics quietly determines whether you can maintain consistent inventory, achieve profitability, scale confidently, compete effectively, and deliver customer satisfaction.

1

eCommerce Speed Requirements

Traditional freight forwarders treat your time-sensitive inventory like generic cargo. A two-week delay doesn't just postpone sales—it destroys rankings, wastes advertising spend, and hands market share to competitors.

2

FBA Compliance Complexity

Amazon's strict requirements are constantly evolving. Labeling errors, carton violations, or appointment mistakes result in rejections, storage fees, and delays costing thousands of dollars.

3

Customs Documentation

Indian export procedures and international import requirements involve complex documentation. Errors cause delays, fines, and compliance issues that disrupt your entire supply chain.



The 7 Logistics Mistakes Killing Your eCommerce Momentum

Mistake 1: Choosing Shipping Mode Based on Price Alone

The Mistake:

Selecting sea freight because it's cheaper without considering the total cost of inventory delays, stockouts, and missed sales opportunities.

Why It's Costly:

A \$2,000 savings on sea freight vs. air freight means nothing if the delay causes a two-week stockout that costs \$15,000 in lost sales, damages your Best Seller Rank, and wastes your advertising spend.

When to Use Air Freight

- Initial product launches requiring fast market entry
- Replenishment during peak seasons when stockouts are costly
- High-margin products where speed justifies premium shipping
- Urgent inventory needs to prevent stockouts
- Testing new products before committing to bulk sea freight

When to Use Sea Freight

- Bulk replenishment with predictable demand
- Products with lower margins requiring cost optimization
- Non-urgent inventory with buffer stock available
- Seasonal pre-positioning before peak demand
- Established products with reliable sales forecasts



Mistake 2: Ignoring FBA Compliance Until It's Too Late

The Mistake: Assuming your supplier or freight forwarder will handle FBA prep correctly, only to discover labeling errors, carton violations, or missing documentation when your shipment is rejected at the FBA center.

- FBA rejections result in:** Storage fees at the port, relabeling costs (\$1-3 per unit), inventory delays of 1-3 weeks, lost sales and ranking degradation, expedited shipping costs, and potential suspension of FBA privileges for repeated violations.

1

2

3

Pre-Production Checklist

Confirm carton dimensions meet FBA requirements (25" x 25" x 40" max), verify weight limits (50 lbs standard, 100 lbs oversized), plan label placement and FNSKU application.

Production Phase

Provide supplier with FBA labeling specifications, require photo documentation of labeling and packaging, verify compliance before shipment departure.

Pre-Shipment Verification

Review photos of actual packed cartons, confirm label placement and readability, verify carton markings and shipping labels, check appointment scheduling.



Mistake 3: Underestimating Customs Clearance Complexity

The Mistake: Treating customs documentation as a formality, resulting in delays, fines, or shipment holds due to incomplete or incorrect paperwork.

Indian Export Documentation

- Commercial invoice with accurate product descriptions and values
- Packing list with detailed carton contents
- Bill of lading or airway bill
- Certificate of origin (if required for duty benefits)
- Export license (for restricted goods)
- Phytosanitary certificate (for agricultural products)
- FSSAI certification (for food products)

Import Documentation

- Customs declaration with accurate HS codes
- Import license (if required)
- FDA prior notice (for food, supplements, cosmetics)
- Product testing certificates (if required)
- Duty payment documentation
- Insurance certificates

Common Documentation Errors: Incorrect HS codes resulting in wrong duty calculations, vague product descriptions triggering customs holds, undervalued invoices raising red flags, missing certificates for regulated products, inconsistent information across documents.



Mistake 4: Accepting "Standard" Shipping Rates Without Negotiation

The Mistake: Paying published freight rates without understanding that logistics pricing is highly negotiable, especially for consistent volume.

Why It's Costly: Standard rates typically include 20-40% markup over negotiated rates. On a \$5,000 shipment, that's \$1,000-2,000 in unnecessary costs. Over a year with monthly shipments, that's \$12,000-24,000 in wasted margin.

1

Negotiation Leverage Points

- Committed monthly volume (even if small initially)
- Predictable shipping schedule
- Flexibility on transit times
- Consolidated shipments
- Multi-year relationship potential

2

What to Negotiate

- Base freight rates (per kg for air, per container for sea)
- Documentation fees
- Customs clearance charges
- Delivery and drayage costs
- Insurance rates
- Payment terms

3

Typical Savings

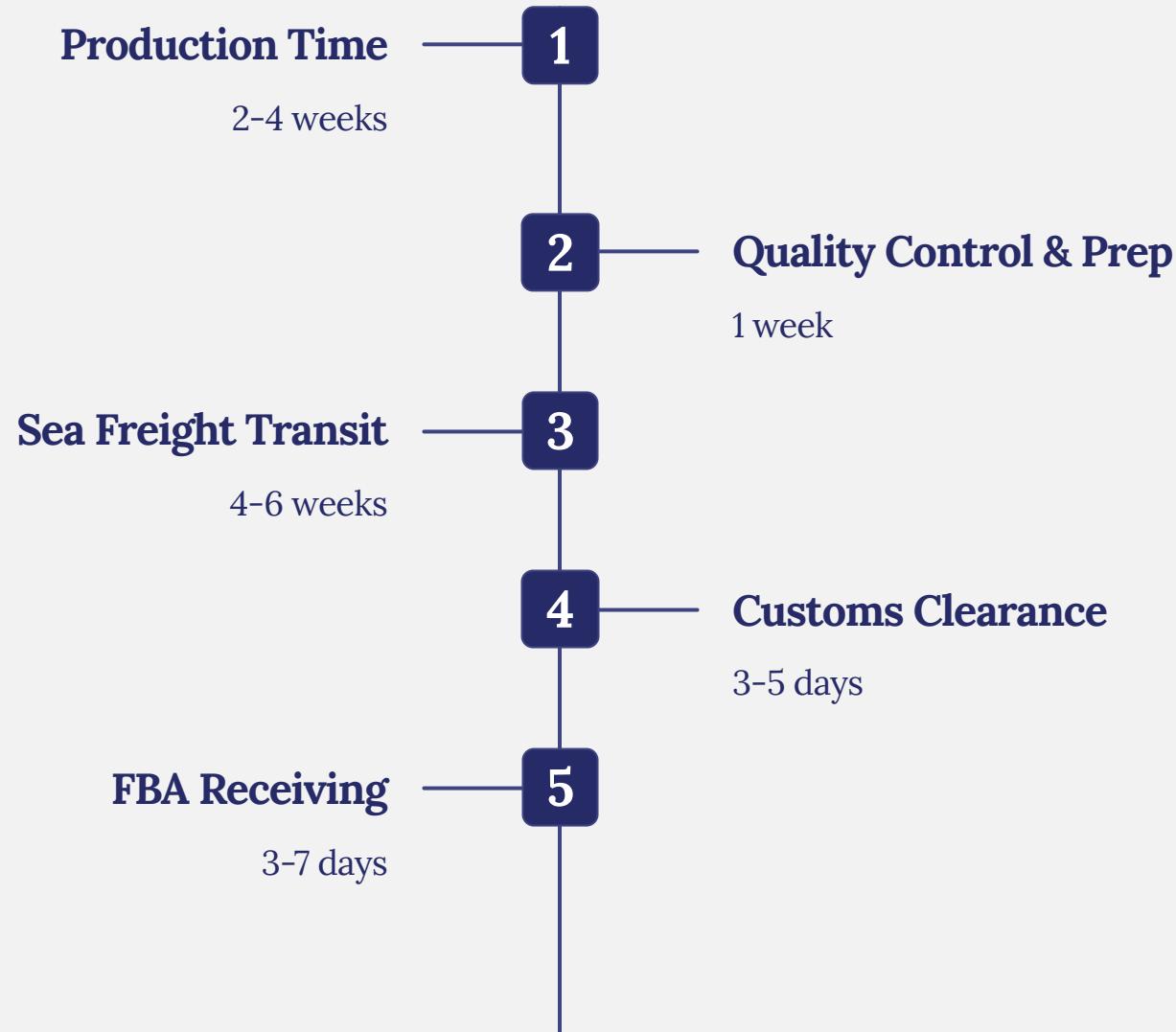
- 15-25% on air freight through volume commitments
- 10-20% on sea freight through carrier relationships
- 20-30% on documentation and handling fees
- 15-25% on customs clearance through efficiency



Mistake 5: Poor Inventory Planning Leading to Rush Shipments

The Mistake: Running out of inventory and then scrambling with expensive air freight to avoid stockouts, rather than planning replenishment based on lead times.

Why It's Costly: Rush air freight can cost 3-5x more than planned sea freight. A \$2,000 sea freight shipment becomes an \$8,000 air freight emergency. Multiple rush shipments per year can add \$20,000-50,000 in unnecessary logistics costs.



- Total Lead Time: 8-12 weeks for sea freight**

Inventory Planning Formula: Reorder Point = (Average Daily Sales × Total Lead Time Days) + Safety Stock

Example: If you sell 10 units/day with 70-day lead time and 20-day safety buffer, reorder at 900 units.



Mistake 6: Lack of Real-Time Tracking and Visibility

The Mistake: Relying on occasional email updates from your freight forwarder instead of having real-time visibility into shipment status and location.

Why It's Costly: Without visibility, you can't accurately communicate delivery timelines to customers, plan inventory allocation and marketing campaigns, respond proactively to delays or issues, coordinate FBA appointments and receiving, or make informed decisions about rush orders or alternatives.

Real-Time Location

Track shipment location and status with automated milestone notifications and estimated delivery dates with updates.

Customs Status

Monitor customs clearance progress, FBA appointment confirmation, and delivery proof documentation.

Proactive Alerts

Receive immediate notification of delays or issues, daily updates during critical periods, and direct contact for urgent matters.



Mistake 7: Treating Logistics as Transactional Rather Than Strategic

The Mistake: Viewing logistics as a commodity service and constantly switching providers for minor cost savings, rather than building strategic partnerships that deliver long-term value.

Why It's Costly: Constantly changing logistics providers results in learning curve delays, inconsistent service quality, loss of volume-based pricing benefits, no relationship leverage for problem-solving, repeated onboarding efforts, and lack of continuous improvement.

Partnership Value Beyond Price

- eCommerce-specific expertise (FBA knowledge, marketplace requirements)
- Proactive problem-solving and issue resolution
- Continuous optimization and cost reduction
- Flexible solutions for changing business needs
- Reliable performance and accountability
- Long-term relationship investment

When Partnership Makes Sense

- Consistent monthly shipping volume
- Complex compliance requirements (FDA, USDA, etc.)
- Multiple product categories or suppliers
- Scaling growth plans requiring logistics scalability
- International expansion to multiple markets
- Need for integrated sourcing and logistics



Understanding Your Shipping Options: Air vs. Sea Freight

Air Freight: Speed at a Premium

1

Product Launches

Getting to market fast is critical for new products. Air freight enables 2-3 week total timeline vs. 8-12 weeks for sea, allowing you to test market demand, gather reviews, and establish rankings before committing to bulk inventory.

2

Peak Season Replenishment

During Q4 or peak seasons, stockouts are catastrophically expensive. Air freight premium is justified when preventing stockouts that would cost 10x the shipping difference in lost sales.

3

High-Margin Products

Products with 60%+ margins can absorb air freight costs while maintaining profitability. A \$5 product with \$20 selling price can afford \$3 air freight vs. \$0.50 sea freight and still be highly profitable.

4

Urgent Replenishment

When inventory planning fails and stockouts loom, air freight prevents the ranking damage, advertising waste, and customer loss that stockouts cause.

- ❑ **Air Freight Costs:** Typical rates \$4-8 per kg, transit time 5-10 days door-to-door, minimum practical shipment 100 kg, best for products under 5 kg per unit with good margins.



Sea Freight: Cost Efficiency for Scale



Bulk Replenishment

Established products with predictable demand benefit from sea freight's cost efficiency. The longer lead time is manageable with proper inventory planning.

Lower-Margin Products

Products with 30-40% margins require sea freight to maintain profitability. Air freight would eliminate margins entirely.

Heavy or Bulky Products

Products over 5 kg or with large dimensions make air freight prohibitively expensive. Sea freight is the only viable option.

Full Container Load (FCL)

- 20ft container: ~10,000 kg or 28 cubic meters
- 40ft container: ~20,000 kg or 58 cubic meters
- Cost: \$2,000-4,000 depending on route and season
- Best for: Large volume shipments of single or multiple products

Less than Container Load (LCL)

- Charged by: Cubic meter (CBM) or weight
- Typical rate: \$50-150 per CBM
- Best for: Smaller shipments not filling a full container
- Transit time: 4-6 weeks door-to-door



Making the Air vs. Sea Decision

Calculate total cost of each option including freight charges, customs clearance, delivery to FBA, inventory carrying cost, and opportunity cost.



- Optimal Strategy:** Use sea freight for base inventory, air freight for peak season or urgent replenishment. If air freight enables 35 extra selling days, potential additional sales could be \$7,000. If sea freight causes 10-day stockout, lost sales could be \$2,000.



Hybrid Approach: The Best of Both Worlds

Strategy: Combine air and sea freight based on inventory needs and timing.

Base Inventory via Sea Freight

Order larger quantities (2-3 months supply), ship via sea freight for cost efficiency, plan 10-12 week lead times, maintain safety stock buffer.

Replenishment via Air Freight

Order smaller quantities (2-4 weeks supply), ship via air freight for speed, use during peak seasons or unexpected demand, prevent stockouts while sea shipment is in transit.

Example Implementation:

- Q1-Q3: Sea freight shipments every 2 months (2,000 units each)
- Q4 (peak season): Air freight shipments every 3 weeks (500 units each)
- Result: Cost efficiency during normal periods, availability during peak demand



The Complete Customs Clearance Process Explained

Understanding Customs Clearance

Customs clearance is the process of getting your imported goods through government inspection and paying required duties and taxes. It's required for all international shipments and involves both export procedures in India and import procedures in your destination country.

Export Documentation Preparation

1 Commercial invoice, packing list, shipping bill, bill of lading/airway bill, certificate of origin, product-specific certificates (FSSAI, phytosanitary, textile committee, spice board).

HS Code Classification

2 Harmonized System codes classify products for customs and duty purposes. Correct classification is critical for accurate duty calculation and compliance.

Export Declaration Filing

3 Customs broker files shipping bill electronically with Indian customs. Customs reviews and approves, export duty calculated and paid, Let Export Order (LEO) issued. Timeline: 1-3 days.

Physical Inspection (if required)

4 Random selection, first-time exporters, high-value shipments, restricted products. Product matches description, quantity matches declaration. Timeline: 1-3 days additional.

Cargo Loading and Departure

5 Cargo loaded onto vessel or aircraft, bill of lading or airway bill issued, shipment departs India, export complete.



Destination Country Import Customs Process

Pre-Arrival Documentation

- 1 ISF Filing (USA) required 24 hours before vessel departure, FDA Prior Notice for food/supplements/cosmetics 4 hours before arrival, import license if required, customs broker engagement.

Arrival and Entry Filing

- 2 Customs broker files entry documentation including commercial invoice, packing list, bill of lading. Declares product details, values, HS codes, requests release of goods.

Duty and Tax Calculation

- 3 Based on HS code classification, country of origin, trade agreements, product value, destination country's tariff schedule. Most products: 0-10%, textiles: 10-20%.

Inspection (if required)

- 4 Random selection, first-time importer, high-value shipments, regulated products. Product matches description, quantity and value verification. Timeline: 1-5 days.

Release and Delivery

- 5 Once duties paid and inspection complete, customs releases shipment. Cargo moves to delivery or FBA center. Sea freight: 3-7 days after arrival, air freight: 1-3 days.



Common Customs Issues and How to Avoid Them

1

Incorrect HS Codes

Problem: Wrong duty calculation, customs holds, penalties.

Solution: Verify HS codes with customs expert before first shipment, use same codes consistently, update when product specifications change, keep documentation of classification rationale.

2

Undervalued Invoices

Problem: Customs holds, penalties, loss of import privileges.

Solution: Declare actual transaction value, include all costs, never undervalue to reduce duties (illegal and risky), maintain records supporting declared values.

3

Incomplete Documentation

Problem: Customs holds, requests for additional information, delays.

Solution: Ensure all required documents are complete and accurate, verify consistency across all documents, use clear specific product descriptions, include all required certificates.

4

FDA or Regulatory Holds

Problem: Shipment detained for testing or compliance verification.

Solution: File FDA prior notice correctly and on time, ensure products meet destination country regulations, include required testing certificates, work with experienced customs broker.

5

Missing Certificates

Problem: Customs won't release shipment without required certificates.

Solution: Identify all required certificates before shipping, obtain certificates from Indian authorities before export, include original or certified copies, maintain digital copies for quick resolution.



FBA Compliance: Requirements and Best Practices

Understanding FBA Requirements

Amazon's Fulfillment by Amazon (FBA) program has strict requirements to ensure efficient warehouse operations. Non-compliance results in rejections, fees, and inventory delays that can cost thousands of dollars and damage your business.

Carton Dimensions

- Maximum: 25" × 25" × 40" (any orientation)
- Oversized: Larger cartons require special handling and higher fees
- Recommendation: Stay well under maximum to avoid measurement errors

Carton Weight

- Standard: 50 lbs maximum
- Oversized: 100 lbs maximum for oversized items
- Recommendation: Target 40-45 lbs to avoid weight disputes

Carton Strength

- Must withstand stacking and handling
- Use double-wall corrugated for heavier items
- Ensure proper sealing with strong tape
- No damaged or weak cartons



FBA Labeling Requirements

FNSKU Labels

- **What:** Fulfillment Network Stock Keeping Unit – unique identifier for your product
- **Where:** On every unit (unless manufacturer barcode eligible)
- **Size:** Minimum 1" × 2", scannable and readable
- **Placement:** On outside of product packaging, not covering other barcodes

Carton Labels

- **FBA shipment label:** Provided by Amazon, applied to each carton
- **Placement:** On top and one side of each carton
- **Requirements:** Clear, scannable, not wrinkled or damaged
- **No other labels:** Remove or cover other barcodes/labels

- ❑ **Common Labeling Mistakes:** FNSKU labels too small or unreadable, labels covering manufacturer barcodes, missing or damaged carton labels, incorrect label placement, expired or near-expiration products.



FBA Prep Requirements



Poly Bagging

Required if product has loose parts, sharp edges, openings that could trap items, or fabric materials. Bag must be transparent with suffocation warning if opening \geq 5 inches. Barcode must be scannable through bag or on outside.

Bubble Wrap

Required for fragile items. Must protect product during handling and shipping. Barcode must be visible and scannable.

Taping

Required for items with lids or openings. Prevents items from opening during handling. Use strong, clear tape.

Bundling

Multi-packs must be bundled securely. Cannot come apart during handling. Single FNSKU for entire bundle.



FBA Shipment Planning



Create Shipment in Seller Central

Select products and quantities, choose "Amazon will prep" or "Merchant will prep", specify carton contents (same SKU or mixed), generate FBA shipment plan.



Review Shipment Destinations

Amazon assigns destination FBA centers. May split shipment to multiple locations. Consider Inventory Placement Service to consolidate (additional fee).



Print Carton Labels

Generate and print FBA carton labels. One label per carton. Apply to top and one side of each carton.



Schedule Delivery Appointment

Required for most FBA centers. Book appointment through carrier or Amazon system. Confirm appointment before shipping. Arrive within appointment window.



Ship and Track

Ship cartons to assigned FBA centers. Track delivery to ensure on-time arrival. Monitor receiving status in Seller Central. Address any receiving issues promptly.



FBA Compliance Best Practices

1 Verify Requirements Before Production

Review current FBA requirements (they change periodically), confirm carton dimensions and weight limits, verify labeling and prep requirements for your product category, communicate requirements clearly to supplier.

2 Implement Quality Control at Source

Have supplier or inspection service verify carton dimensions and weight, label placement and readability, prep compliance (poly bagging, bubble wrap, etc.), carton strength and sealing. Take photos for documentation.

3 Use FBA Prep Services When Needed

If supplier can't meet FBA requirements, use third-party FBA prep service in India or destination country, or Amazon's prep service (higher cost but guaranteed compliance). Ensure prep service understands current FBA requirements.

4 Maintain Compliance Documentation

Keep records of FBA requirement verification, supplier prep instructions, quality control photos, shipment details and tracking, receiving confirmations, any issues and resolutions.

5 Monitor Receiving and Address Issues Quickly

After shipment arrives, monitor receiving status in Seller Central, address any receiving problems immediately, document issues for future prevention, update supplier instructions if needed.



FBA Rejection Scenarios and Solutions

1. Carton Dimension Violations

Problem: Cartons exceed 25" × 25" × 40" limit

1 Cost: Return or disposal fees, storage fees, inventory delays

Solution: Verify carton dimensions before production, build in margin (target 24" × 24" × 38" maximum), use carton dimension calculator to optimize, require supplier to confirm dimensions with photos.

2. Labeling Errors

Problem: Missing, incorrect, or unreadable FNSKU or carton labels

2 Cost: Relabeling fees (\$0.30-0.55 per unit), delays

Solution: Provide clear labeling instructions to supplier, verify label placement and readability with photos, use high-quality label printing and materials, apply labels carefully to avoid wrinkles or damage.

3. Prep Non-Compliance

Problem: Missing poly bags, bubble wrap, or other required prep

3 Cost: Prep fees (\$0.30-2.00 per unit), delays

Solution: Identify prep requirements before shipping, communicate requirements clearly to supplier, verify prep compliance with photos, use FBA prep service if supplier can't comply.

4. Expired or Near-Expiration Products

Problem: Products with less than 90 days shelf life

4 Cost: Return or disposal fees, total inventory loss

Solution: Verify expiration dates before shipping, ensure minimum 90+ days shelf life upon FBA arrival, account for transit time when checking dates, rotate inventory to ship newest stock to FBA.



Cost Optimization Strategies That Actually Work

Strategy 1: Optimize Carton Dimensions and Weight

The Opportunity: Freight costs are calculated by volumetric weight (dimensional weight) or actual weight, whichever is greater. Optimizing packaging can reduce costs by 15-30%.

Minimize Empty Space



Use smallest carton that safely fits products, eliminate excessive padding or filler, nest or stack products efficiently, custom carton sizes for your specific products.

Example: Original carton 50×40×30cm = 10 kg volumetric weight. Optimized carton 45×35×25cm = 6.6 kg volumetric weight. **34% reduction.**

Consolidate Multiple Products



Ship multiple products in same carton when possible. Reduces per-unit shipping cost. Fewer cartons = lower handling fees.

Optimize Product Packaging



Reduce product packaging size without compromising protection. Use thinner but strong materials. Eliminate unnecessary packaging elements.

- ❑ Potential Savings: 15-30% on freight costs through packaging optimization



Strategy 2: Consolidate Shipments

The Opportunity: Shipping larger quantities less frequently reduces per-unit costs through volume discounts and reduced handling fees.

Consolidation Benefits

- **Lower Per-Unit Freight Costs:** FCL rates are 30-50% lower per unit than LCL, air freight volume discounts reduce rates by 15-25%
- **Reduced Administrative Costs:** One shipment vs. multiple = less paperwork, fewer customs clearances
- **Better Negotiating Power:** Larger shipments command better rates, consistent volume enables long-term rate agreements

Implementation Approaches

- **Multi-Product Consolidation:** Ship multiple products in single shipment, coordinate production timing across suppliers
- **Increase Order Frequency:** Order larger quantities less frequently, balance inventory carrying costs vs. shipping savings

Example: Current: 4 shipments/year, 500 units each, LCL at \$100/CBM = \$8,000 annual. Optimized: 2 shipments/year, 1,000 units each, FCL at \$3,500 per container = \$7,000 annual. **Savings: \$1,000 (12.5%)**

- ❑ Potential Savings: 10-30% through consolidation



Strategy 3: Negotiate Carrier Rates

The Opportunity: Published freight rates include significant markup. Negotiation based on volume and consistency can reduce costs by 15-25%.

1

Volume Commitments

Commit to minimum monthly volume, negotiate tiered rates based on volume, lock in rates for 6-12 months. **Example:** Standard rate \$6.50/kg, negotiated rate with 500 kg/month commitment: \$5.50/kg. **15% savings (\$500/month on 500 kg)**

2

Multi-Service Bundling

Negotiate package deal for freight + customs + delivery. Bundled services often come with discounts. Simplifies coordination and accountability.

3

Long-Term Agreements

Commit to 12-month contract. Carriers offer better rates for guaranteed business. Protect against seasonal rate increases.

4

Payment Terms

Offer faster payment for rate discount. Prepayment or deposit for better rates. Reliable payment history builds negotiating power.

What to Negotiate: Base freight rate (per kg or per container), fuel surcharges, documentation and handling fees, customs clearance charges, delivery and drayage costs, insurance rates.

- Potential Savings: 15-25% through rate negotiation



Strategy 4: Optimize Shipping Routes and Timing

The Opportunity: Different routes and timing can significantly impact costs. Strategic planning can reduce expenses by 10-20%.

1 Route Optimization

Direct vs. Transshipment: Direct routes are faster but may be more expensive. Transshipment routes are slower but often cheaper. Evaluate total cost including time value of inventory.

Port Selection: Different destination ports have different costs. Consider port fees, drayage to FBA, and congestion. Sometimes shipping to farther port is cheaper overall.

2 Timing Optimization

Seasonal Rate Fluctuations: Peak season (Aug-Oct) rates increase 20-50%. Off-season (Feb-Apr) rates lowest. Plan shipments to avoid peak season when possible.

Advance Booking: Book freight 2-4 weeks in advance for better rates. Last-minute bookings carry premium pricing. Advance booking ensures space availability.

3 Flexible Timing

Flexibility on delivery dates enables cheaper options. Carriers offer discounts for flexible scheduling. Avoid rush fees and premium services.

- ❑ Potential Savings: 10-20% through route and timing optimization



Strategy 5: Reduce Customs Duties Through Trade Agreements

The Opportunity: Free trade agreements and preferential trade programs can reduce or eliminate import duties.

1

Verify Product Eligibility

Check if your products qualify for preferential treatment. Review HS code classification. Confirm country of origin requirements.

2

Obtain Certificate of Origin

Request from Indian Chamber of Commerce. Include with shipment documentation. Declare preferential treatment on customs entry.

3

Verify Savings

Compare standard duty vs. preferential duty. Factor in certificate costs and administrative effort. Implement if savings justify effort.

Example: Product: Textiles (HS code 6302). Standard duty: 10%. GSP duty: 0%. Shipment value: \$10,000. **Savings: \$1,000 per shipment**

- ❑ Potential Savings: 5-15% on product value through duty reduction



Strategy 6: Implement Efficient Inventory Management

The Opportunity: Better inventory planning reduces rush shipments, minimizes air freight emergencies, and optimizes shipping frequency.

1 Lead-Time-Based Reorder Points

Calculate total lead time (production + shipping + customs + FBA receiving). Set reorder points based on lead time + safety stock. Automate reorder alerts to prevent stockouts.

2 Safety Stock Optimization

Maintain buffer inventory to prevent stockouts. Balance safety stock cost vs. stockout risk. Adjust based on demand variability and lead time reliability.

3 Demand Forecasting

Use historical sales data to predict future demand. Account for seasonality and trends. Adjust inventory plans based on forecasts.

4 ABC Analysis

A products (top 20%): Tightest inventory control, never stockout. **B products (middle 30%):** Moderate control. **C products (bottom 50%):** Looser control, acceptable occasional stockouts.

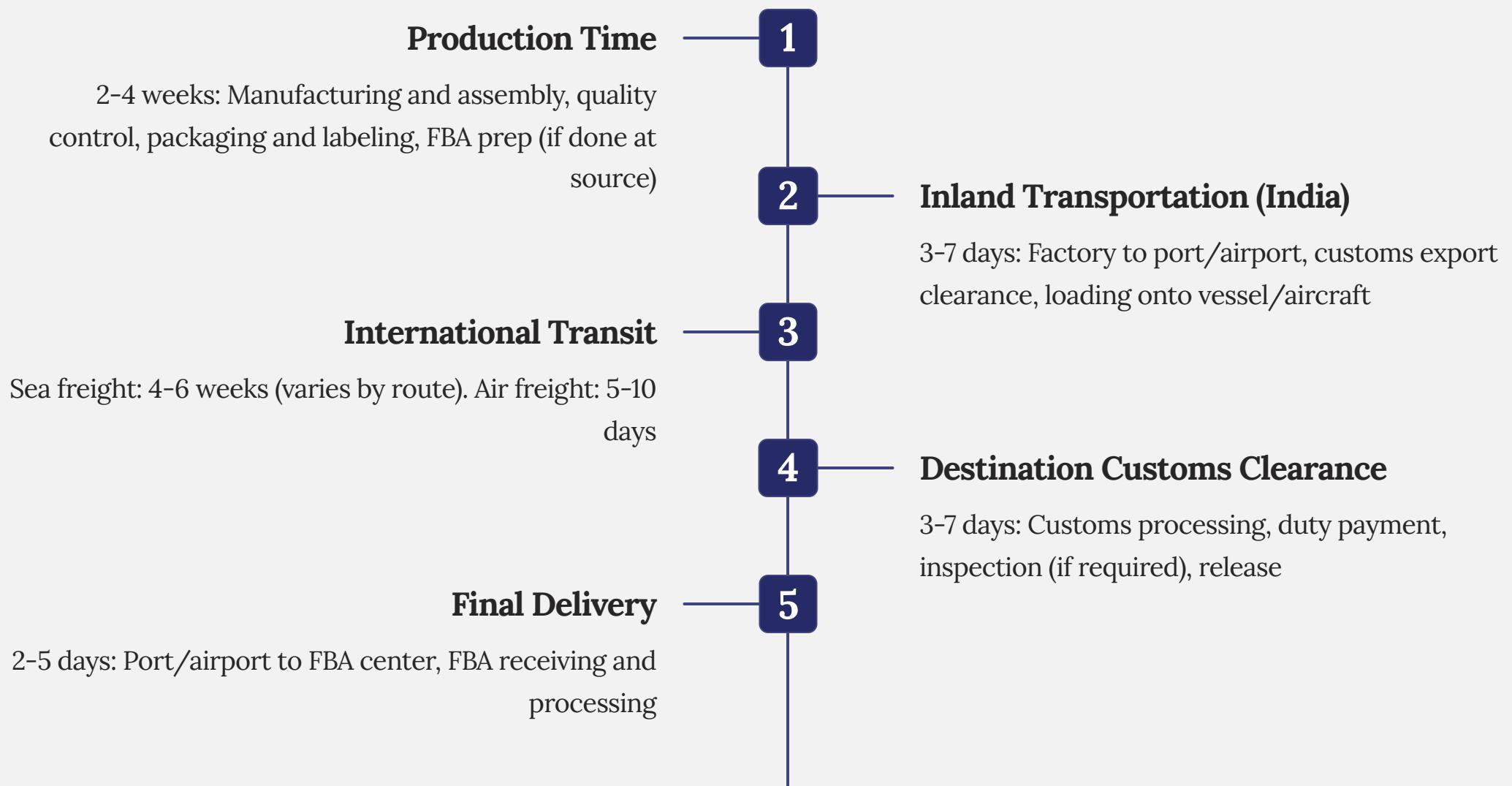
Cost Impact: Proper inventory management eliminates rush air freight, reduces stockout costs (lost sales, ranking damage), optimizes working capital (less cash tied up in inventory).

- ❑ Potential Savings: 20-40% reduction in logistics costs through inventory optimization



Timeline Planning and Inventory Management

Understanding Total Lead Time



- **Total Lead Time:** Sea freight: 8-12 weeks door-to-door. Air freight: 3-5 weeks door-to-door.



Inventory Planning Formula

Reorder Point = (Average Daily Sales × Lead Time Days) + Safety Stock

Average Daily Sales

Calculate from historical sales data.
Account for seasonality and trends.
Use conservative estimate for new products.

Lead Time Days

Total days from order placement to inventory available for sale. Include all components (production, shipping, customs, FBA receiving).
Add buffer for potential delays (5-10 days).

Safety Stock

Buffer inventory to prevent stockouts during lead time. **Formula:** Average Daily Sales × Safety Days.
Safety Days: Typically 14-30 days depending on demand variability, lead time reliability, and stockout cost.



Inventory Planning Example

Product Details: Average daily sales: 15 units, Lead time: 70 days (10 weeks sea freight), Safety stock buffer: 20 days, Current inventory: 1,200 units

Reorder Point

$$(15 \text{ units/day} \times 70 \text{ days}) + (15 \text{ units/day} \times 20 \text{ days}) = 1,050 + 300$$

Order Quantity

60 days of sales = 15×60 units
(provides 2 months inventory after
reorder point)

Safety Stock Level

Minimum inventory before new order
arrives ($15 \text{ units/day} \times 20 \text{ days}$)

Inventory Timeline:

- **Day 0:** Inventory at 1,350 units, place order for 900 units
- **Day 70:** Order arrives, inventory at 300 units (safety stock)
- **Day 70:** Inventory jumps to 1,200 units ($300 + 900$)
- **Day 130:** Inventory back to 1,350 units, place next order



Seasonal Inventory Planning

Challenge: Sales vary significantly by season, requiring different inventory strategies for peak vs. off-peak periods.



Analyze Historical Seasonality

Identify peak months (typically Q4 for most products). Calculate seasonal index (peak month sales \div average month sales). Forecast seasonal demand.

Example: Average monthly sales: 450 units. November sales: 900 units. Seasonal index: 2.0 (November is 2x average).



Pre-Position Inventory

Ship inventory 2-3 months before peak season. Use sea freight for cost efficiency. Build up safety stock before peak.



Supplement with Air Freight During Peak

Use air freight for replenishment during peak season. Prevents stockouts when demand exceeds forecast. Justifies air freight premium due to high sales velocity.

Example Q4 Strategy: July: Ship 2,000 units via sea freight (arrives September). September: Ship 1,500 units via sea freight (arrives November). October-December: Ship 500 units via air freight every 2 weeks as needed. **Result:** Adequate inventory for peak season with optimized shipping costs.



Multi-Product Inventory Coordination

Challenge: Managing inventory for multiple products with different lead times, sales velocities, and suppliers.

1

A Products (Top 20%)

Tightest control, never stockout, frequent reordering, consider air freight

2

B Products (Middle 30%)

Moderate control, acceptable brief stockouts, standard reorder frequency, primarily sea freight

3

C Products (Bottom 50%)

Looser control, acceptable stockouts, less frequent reordering, always sea freight for cost efficiency

Additional Strategies:

- **Synchronized Production Scheduling:** Coordinate production timing across suppliers, ship multiple products in consolidated shipments, reduces shipping costs and complexity
- **Inventory Pooling:** Maintain safety stock for product category rather than individual SKUs, reduces total safety stock needed, requires flexible manufacturing or product interchangeability



Tracking, Visibility, and Communication

Why Tracking Matters



Inability to Plan

Without knowing when inventory will arrive, you can't plan marketing campaigns, coordinate promotions, communicate accurately with customers, or make informed decisions about rush orders.



Reactive Rather Than Proactive

Without real-time updates, you discover problems too late. Customs holds discovered after days of delay, shipment delays learned when inventory doesn't arrive, FBA appointment missed due to lack of communication.



Customer Impact

Uncertainty about inventory arrival affects pre-order commitments, customer communication, backorder management, and brand reputation.



Essential Tracking Capabilities

Shipment Milestones

- Order confirmation and booking
- Cargo pickup from factory
- Export customs clearance
- Departure from origin port/airport
- In-transit updates
- Arrival at destination port/airport
- Import customs clearance
- Delivery to FBA center
- FBA receiving confirmation

Real-Time Location

- Current shipment location
- Estimated arrival dates (updated based on actual progress)
- Vessel/flight tracking information
- Port/airport status

Documentation & Alerts

- Export documentation complete
- Customs clearance status
- Import documentation filed
- Duty payment confirmed
- Delivery appointment scheduled
- Customs holds or inspections
- Shipment delays
- Documentation problems



Tracking Technology Options

1

Freight Forwarder Portal

Description: Web-based tracking system, login to view shipment status, automated email updates at milestones, document repository.

Pros: No additional cost, integrated with freight forwarder's systems, standard offering from most providers.

Cons: Limited to freight forwarder's shipments, may lack real-time updates, interface quality varies, no integration with your systems.

2

Third-Party Tracking Platforms

Description: Specialized logistics tracking software, aggregates data from multiple carriers, advanced analytics and reporting, API integration with your systems. Examples: Flexport, Project44, FourKites, FreightView.

Pros: Unified view of all shipments across carriers, better analytics and insights, integration with inventory management, proactive alerts and notifications.

Cons: Additional cost (\$50-500/month depending on volume), requires setup and integration, may not cover all carriers.

3

IoT Tracking Devices

Description: Physical GPS trackers placed in shipments, real-time location and condition monitoring, temperature, humidity, shock sensors.

Pros: Most accurate real-time location data, condition monitoring for sensitive products, theft and tampering detection.

Cons: Cost (\$20-50 per device), device recovery logistics, overkill for most eCommerce shipments.

- Recommendation:** Small volume (1-5 shipments/month): Freight forwarder portal sufficient. Medium volume (5-20 shipments/month): Third-party platform for better visibility. High volume (20+ shipments/month): Integrated tracking platform with API.



Communication Expectations

Proactive Communication Requirements

Shipment Booking Confirmation

Booking details (dates, mode, route), estimated timeline, documentation requirements, next steps.

Milestone Updates

Automated notifications at each milestone, actual vs. estimated timing, next milestone and estimated date.

Delay or Issue Alerts

Immediate notification of any delays, root cause explanation, impact on delivery timeline, resolution plan and actions.

Daily Updates During Critical Periods

Customs clearance in progress, final delivery to FBA, any problem resolution.

Weekly Summary Reports

All active shipments status, upcoming milestones, issues and resolutions, recommendations.



Using Tracking Data for Better Decisions

1

Decision 1: When to Use Air Freight for Replenishment

Scenario: Sea freight shipment delayed, inventory running low

Data Needed: Current inventory level, daily sales velocity, estimated arrival date of delayed shipment, days until stockout

Decision Framework: If stockout risk > 20%, order air freight replenishment. If stockout risk < 20%, wait for sea freight arrival. Calculate air freight cost vs. stockout cost.

Example: Current inventory: 200 units, Daily sales: 15 units, Sea freight ETA: 20 days, Days until stockout: 13 days.

Stockout risk: HIGH (7 days short). Decision: Order 150 units via air freight (10-day delivery)

2

Decision 2: When to Adjust Marketing Spend

Scenario: Shipment delayed, need to reduce sales velocity to prevent stockout

Data Needed: Current inventory, daily sales velocity, shipment delay duration, marketing spend and impact on sales

Decision Framework: Calculate days until stockout. If shipment delay causes stockout, reduce marketing to slow sales. Resume marketing when shipment arrives.

3

Decision 3: When to Communicate with Customers

Scenario: Pre-orders or backorders pending inventory arrival

Data Needed: Estimated arrival date, customer expectations, delay likelihood

Decision Framework: Proactive communication if delay > 3 days. Update customers with revised timeline. Offer alternatives or compensation if significant delay.



DIY vs. Logistics Partner: Making the Right Choice

When DIY Logistics Makes Sense

Scenario: Very Small Volume (1-2 shipments/year)

Characteristics

- Occasional shipments
- Simple products (no special compliance)
- Low complexity (standard packaging, no special handling)
- Time available to manage logistics

DIY Approach

- Work directly with freight forwarder
- Handle documentation yourself
- Coordinate customs clearance
- Manage FBA delivery

Pros

- Lower cost (no logistics partner markup)
- Direct control
- Learning experience

Cons

- Time-consuming
- Steep learning curve
- Higher error risk
- No economies of scale

When It Works: You have time to learn and manage, shipments are infrequent, products are simple, you enjoy logistics challenges.



When Logistics Partner Makes Sense

Scenario 1: Consistent Volume (Monthly or More Frequent Shipments)

Characteristics: Regular shipping schedule, predictable volume, scaling growth plans, multiple products or suppliers.

1 Partnership Benefits

- Economies of scale (volume discounts)
- Expertise and efficiency
- Time savings
- Risk reduction

2 ROI Calculation

Partner cost: 10-20% markup on freight. Time savings: 10-20 hours per shipment. Error reduction: Fewer delays, rejections, compliance issues. Volume discounts: 15-25% better freight rates.

3 Example

Monthly shipment: \$3,000 freight cost. DIY: \$3,000 freight + 15 hours @ \$50/hour = \$3,750. Partner: \$3,300 (10% markup) + 2 hours @ \$50/hour = \$3,400. Savings: \$350 per shipment with partner



Scenario 2: Complex Compliance Requirements

Characteristics: Regulated products (food, supplements, cosmetics, electronics), FDA, USDA, or other agency requirements, complex documentation and testing, high compliance risk.

1 Partnership Benefits

- Specialized compliance expertise
- Established relationships with regulatory agencies
- Proven processes and documentation
- Risk mitigation

2 When It's Essential

- First time importing regulated products
- High-value shipments where errors are costly
- Products requiring specialized handling
- Multiple compliance requirements



Scenario 3: Scaling Growth

Characteristics: Rapidly increasing volume, expanding to multiple products, adding new suppliers, international expansion plans.

1 Partnership Benefits

Scalable infrastructure, established carrier relationships, multi-supplier coordination, growth support and expertise.

2 Why It Matters

DIY logistics doesn't scale efficiently. Partner infrastructure grows with you. Expertise prevents growth bottlenecks. Focus on business growth, not logistics operations.



Evaluating Logistics Partners

• **eCommerce Expertise**

FBA knowledge and experience, marketplace-specific requirements, understanding of eCommerce timelines and urgency, track record with eCommerce brands.

Questions to Ask: How many eCommerce clients do you serve? What's your FBA rejection rate? How do you handle urgent replenishment needs? Can you provide eCommerce client references?

• **India Sourcing Experience**

Established relationships with Indian suppliers, knowledge of Indian export procedures, on-ground presence or partners in India, experience with your product category.

Questions to Ask: Do you have offices or partners in India? How many India-origin shipments do you handle monthly? What's your experience with [your product category]? Can you coordinate directly with Indian suppliers?

• **Technology and Tracking**

Real-time tracking capabilities, automated notifications, online portal access, integration with your systems.

Questions to Ask: What tracking technology do you use? Can I access real-time shipment status? Do you offer API integration? How do you communicate delays or issues?

• **Pricing Transparency**

Clear pricing structure, no hidden fees, competitive rates, volume discounts.

Questions to Ask: What's your pricing structure? Are there any additional fees beyond quoted rates? Do you offer volume discounts? What payment terms do you offer?

• **Service Quality**

On-time performance track record, issue resolution responsiveness, proactive communication, client references.

Questions to Ask: What's your on-time delivery rate? How do you handle customs delays or issues? Can you provide client references? What's your average response time for inquiries?



Partnership Models

1

Model 1: Freight Forwarding Only

Partner handles shipping and customs only. You manage supplier coordination and FBA prep. Lower cost, more involvement required.

Best For: Simple products, established supplier relationships, you have time to manage coordination.

2

Model 2: Integrated Logistics

Partner coordinates with suppliers, manages FBA prep and compliance, handles shipping and customs, end-to-end visibility.

Best For: Multiple suppliers, complex compliance requirements, scaling operations, you want to focus on business growth.

3

Model 3: Full-Service Sourcing + Logistics

Partner manages sourcing, production, quality, logistics. Complete supply chain management. Highest service level and cost.

Best For: New to India sourcing, high-value or complex products, rapid scaling plans, want complete outsourcing.



Case Study: 98.5% On-Time Delivery Success

Company: HomeStyle Australia

Industry: Home & Kitchen products

Challenge: Unpredictable logistics causing stockouts and lost sales

The Problems

- Unpredictable delivery times: Shipments arriving 2-4 weeks late
- Frequent stockouts: 30% of time out of stock on top products
- FBA rejections: 15% rejection rate due to labeling and prep issues
- High costs: Frequent air freight emergencies due to poor planning
- No visibility: Limited tracking and communication from freight forwarder

The Impact

- Lost sales during stockouts
- Damaged Best Seller Rank
- Wasted advertising spend
- Customer complaints
- Stress and uncertainty



The Solution

MerchantXporter implemented integrated logistics management:

-  **Phase 1: Logistics Strategy Development**

Analyzed historical shipment data and sales patterns, calculated optimal inventory levels and reorder points, designed shipping schedule aligned with sales velocity, selected optimal shipping routes and carriers.
-  **Phase 2: Supplier Coordination**

Established direct communication with Indian suppliers, coordinated production timing for consolidated shipments, implemented FBA prep at source, created quality control protocols.
-  **Phase 3: Shipping Optimization**

Negotiated volume-based carrier rates (18% reduction), implemented predictable shipping schedule (every 4 weeks), established backup air freight for emergencies, created FBA-direct delivery process.
-  **Phase 4: Tracking and Communication**

Implemented real-time tracking platform, automated milestone notifications, proactive delay alerts and resolution, weekly status reports.



The Results

On-Time Delivery Rate

Before: 65% | Impact:
Predictable inventory
planning, no surprises

In-Stock Availability

Before: 70% | Impact:
Consistent sales,
improved rankings

Shipping Cost Reduction

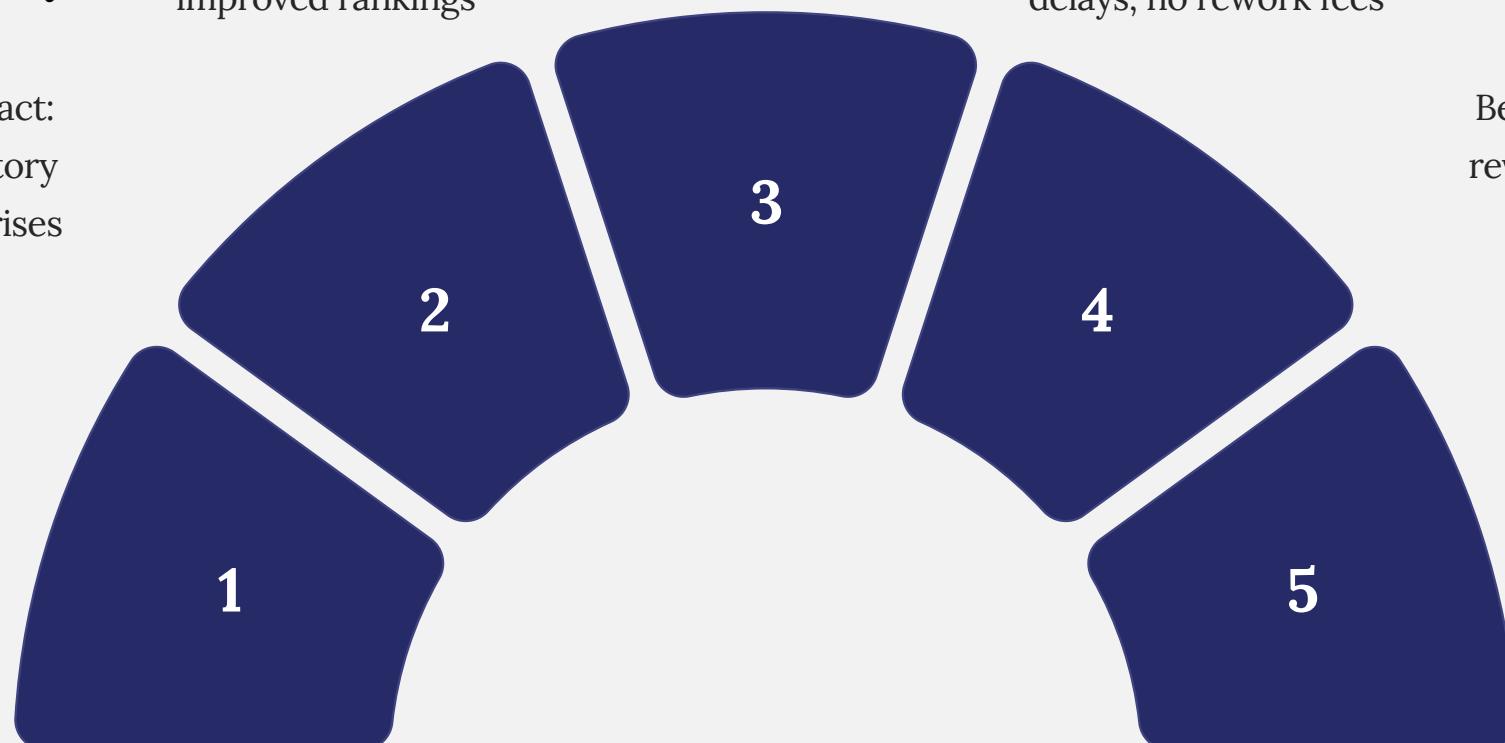
Before: \$4,500 average |
After: \$3,500 average |
Savings: \$12,000
annually

FBA Rejection Rate

Before: 15% | Impact: No
delays, no rework fees

Sales Growth

Before: \$800K annual
revenue | After: \$1.16M
annual revenue



Client Testimonial & Success Factors

"The logistics transformation MerchantXporter delivered was remarkable. They took our chaotic, unpredictable shipping process and turned it into a well-oiled machine. Their expertise in both Indian export procedures and international eCommerce requirements gave us the reliability we needed to scale confidently. We went from constant logistics stress to complete peace of mind."

— Michael Chen, Supply Chain Director, HomeStyle Australia

1

Integrated Approach

Managing supplier coordination, shipping, and FBA delivery as integrated process rather than disconnected functions.

2

Predictable Schedule

Establishing regular shipping schedule aligned with sales velocity and inventory needs.

3

Proactive Communication

Real-time tracking and proactive issue resolution prevented delays from becoming crises.

4

eCommerce Expertise

Understanding FBA requirements and eCommerce urgency enabled compliance and reliability.

5

Continuous Optimization

Regular review of performance and costs led to ongoing improvements.



During Shipment & Post-Delivery Checklists

During Shipment

Tracking:

- Confirm shipment booking and departure
- Monitor real-time location and status
- Track customs clearance progress
- Verify FBA appointment scheduling
- Monitor estimated delivery dates

Communication:

- Receive milestone notifications
- Get proactive alerts for delays or issues
- Maintain contact with logistics partner
- Communicate with supplier if issues arise
- Update internal team on shipment status

Documentation:

- Verify export customs clearance complete
- Confirm bill of lading or airway bill received
- Track import customs filing
- Verify duty payment
- Obtain delivery proof

Post-Delivery

FBA Receiving:

- Monitor FBA receiving status in Seller Central
- Verify all units received and available
- Address any receiving problems immediately
- Check for damage or discrepancies
- Confirm inventory levels updated

Performance Review:

- Calculate actual vs. estimated delivery time
- Review total costs vs. budget
- Identify any issues or delays
- Document lessons learned
- Update processes for next shipment

Continuous Improvement:

- Analyze on-time performance trends
- Review cost optimization opportunities
- Evaluate logistics partner performance
- Update inventory planning based on actual lead times
- Implement improvements for next shipment



Next Steps: Transform Your Supply Chain

Immediate Actions

Audit Your Current Logistics

1 Calculate your actual total lead time, review on-time delivery performance, identify frequent issues or delays, calculate total logistics costs (freight + customs + fees + rush charges), assess FBA compliance track record.

Implement Inventory Planning

2 Calculate reorder points for all products, set up reorder alerts, create shipping schedule, determine optimal order quantities, plan for seasonal variations.

Optimize Packaging

3 Measure current carton dimensions and weights, calculate volumetric weight, identify optimization opportunities, implement changes with supplier, verify FBA compliance.

Evaluate Logistics Partners

4 Get quotes from 3+ logistics providers, compare rates, services, and expertise, check references and track records, evaluate technology and tracking capabilities, calculate ROI of partnership vs. DIY.



Long-Term Strategy

Strategy 1: Build Predictable Logistics

Establish regular shipping schedule, implement lead-time-based inventory planning, create safety stock buffers, use real-time tracking, develop contingency plans.

Strategy 2: Optimize Costs Continuously

Review and negotiate rates annually, consolidate shipments when possible, optimize packaging regularly, leverage trade agreements for duty reduction, monitor and reduce rush shipments.

Strategy 3: Scale Efficiently

Partner with scalable logistics provider, implement technology for visibility, standardize processes and documentation, build supplier relationships, plan capacity for growth.

- ❑ **When to Consult Logistics Experts:** First time importing from India, regulated products requiring compliance expertise, scaling to consistent monthly shipments, frequent logistics issues or delays, high logistics costs eating into margins.



You now have the complete roadmap to transform your eCommerce logistics from a source of stress and uncertainty into a competitive advantage that drives growth and profitability.

The Knowledge

You understand the complete logistics process from Indian export to FBA delivery, including customs clearance, FBA compliance, cost optimization, and inventory planning.

The Framework

You have decision-making frameworks for choosing shipping modes, negotiating rates, planning inventory, and evaluating logistics partners.

The Tools

You have checklists, formulas, and best practices to implement immediately and optimize your logistics operations.

The question is: Will you continue struggling with unpredictable logistics, or will you take action to build the reliable, cost-effective supply chain your business deserves?

The most successful eCommerce brands don't leave logistics to chance. They invest in expertise, systems, and partnerships that deliver predictable results. They understand that logistics excellence isn't an expense—it's an investment that pays dividends through consistent availability, lower costs, and scalable growth.

Your next step is clear: Schedule your logistics consultation with MerchantXporter and discover how our proven expertise can transform your supply chain. Let's build your competitive advantage together.



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