



To Russia with eCommerce InterConnect

A constantly increasing number of consumers in Russia and CIS countries are ordering online from International webstores and marketplaces.

For new entrant merchants, CrossBorder fulfilment is the favorite model in making the first steps into this region with 200+ million consumers, but where to start and how to prepare?

At eCommerce InterConnect we have the international experience, services and partners available to select from and to implement the best-fit operations. We offer this with minimal upfront investment, including scalable growth options to create future proof implementations. We have realized international and intercontinental eCommerce fulfilment lanes for multiple international eCommerce marketplaces, retailers and webstores.

A Scalable & Modular Fulfilment Solution

There are three core models we deliver with our service provider network. Together with our customers we select the best fit, including value added services where relevant. Customers can implement one or multiple models in parallel or they can seamlessly grow from one model into a next model based on business development over time.

I. Cross Border Transit model: Proven service with minimal risk and tracked deliveries

Foreign merchants like retailers and webstores who are new to this region, will most likely want to contain their risks and synchronize the investments with their revenue development.

Characteristics:

- Merchant has no legal entity nor agency in Russia or CIS country.
- Merchant will pick & pack the goods at their warehouse in country of origin at the time that the Russian consumer has placed the order.
- Our service offering starts when Parcels are ready for shipment and we provide:
 - Collection & Consolidation at the Transit Gateway location.
 - Line-haul (Air and Road options or combinations) to destination country.
 - Customs handling (Postal and Courier options).
 - Last mile: Home or Pick Up delivery. End-to-End parcel tracking.
 - Free of sales tax and custom duties according to destination country legislation (e.g. EUR 1.000 per month per consumer in Russia).
 - Options for Return, Cash on Delivery.

II. Bonded Warehouse & Cross-Border fulfilment model: Reducing delivery cost and rapid last mile

The second model is based on using a near border bonded warehouse to which the products are shipped and stored. This warehouse with fulfilment services is located in an EU-country bordering Russia/CIS, following EU legislation for bonded services. Merchants can also use this model for fast moving items whilst long tail products are shipped using the cross-border transit model under #1.

Characteristics:

- Merchant has no legal entity nor agency in Russia or CIS country
- The inbound line-haul to our bonded warehouse is typical in a cost economic manner like deep sea or train as T1 Cargo. We are able to provide this line-haul service or the retailer/merchant can organize this themselves.

- Products are received in bulk into and stored our bonded warehouse. Products remain in ownership of the merchant/retailer.
- We pick & pack the products at this bonded warehouse when the consumer places her/his order in the merchant's webstore.
- Outbound line-haul (Air and Road options or combinations) to destination country
- Customs handling (Postal and Courier options).
- Last mile: Home or Pick Up delivery. Parcel tracking from fulfilment warehouse.
- Free of sales tax and customs duties according to destination country legislation (e.g. up to EUR 1.000 per month per consumer in Russia).
- Options for Return to Bonded Warehouse, Cash on Delivery, Additional value added services like Repackaging & Localization services etc.

III. Onshore Warehouse fulfilment model: Reducing last mile delivery, fit for high volumes B2C and B2B

The third model is based on onshore Russia warehousing with fulfilment services following Russian legislation. This model can be applied for both Offline and Online selling in B2B and B2C mode.

Characteristics:

- Merchant has a legal entity or agency in Russia or CIS country
- The inbound line-haul to this bonded warehouse is typical in a cost economic manner like deep sea or train. We are able to provide this line-haul service or the retailer/merchant can organize this themselves.
- Customs handling services on inbound.
- Products are received in bulk and stored into our warehouse. Product ownership needs to transfer to the merchant's legal entity in Russia or its agency/distributor.
- We pick & pack the products at this warehouse when the customer/consumer places her/his order with the seller.
- Last mile: Business, Home or Pick Up delivery.
- Parcel tracking from fulfilment warehouse
- Options for Return to Warehouse, Cash on Delivery, Additional value added services like Repackaging & Localization services etc.

Pre-launch support

Pre-launch topics where we can assist our customers in:

- Market feasibility study: Is there a market for my products at the right price level?
- Legislation: What are the rules and pre-requisites to sell my products in this market?
- Selection of target markets, marketing, campaigns, which social media to use?
- Website or web-store in local language
- Localization of products and Customer Services
- Include payment and delivery methods commonly used and suited for the region
- Tax and Import duties and processes

Our service provider network is based on services by market leaders in their segments. We provide our customers with the optimal and most efficient logistic fulfilment solutions to their new business destinations. This includes clear KPIs and service provisioning in a scalable and modular manner.

For further information please contact us at info@ecommerce-interconnect.com

Visit us at: www.ecommerce-interconnect.com

