

# How UPS helps middle market businesses grow ecommerce and export revenues

June 17, 2014

UPS State Government Affairs Director  
Kristal Fiser

UPS Retail Marketing Manager  
David Francis

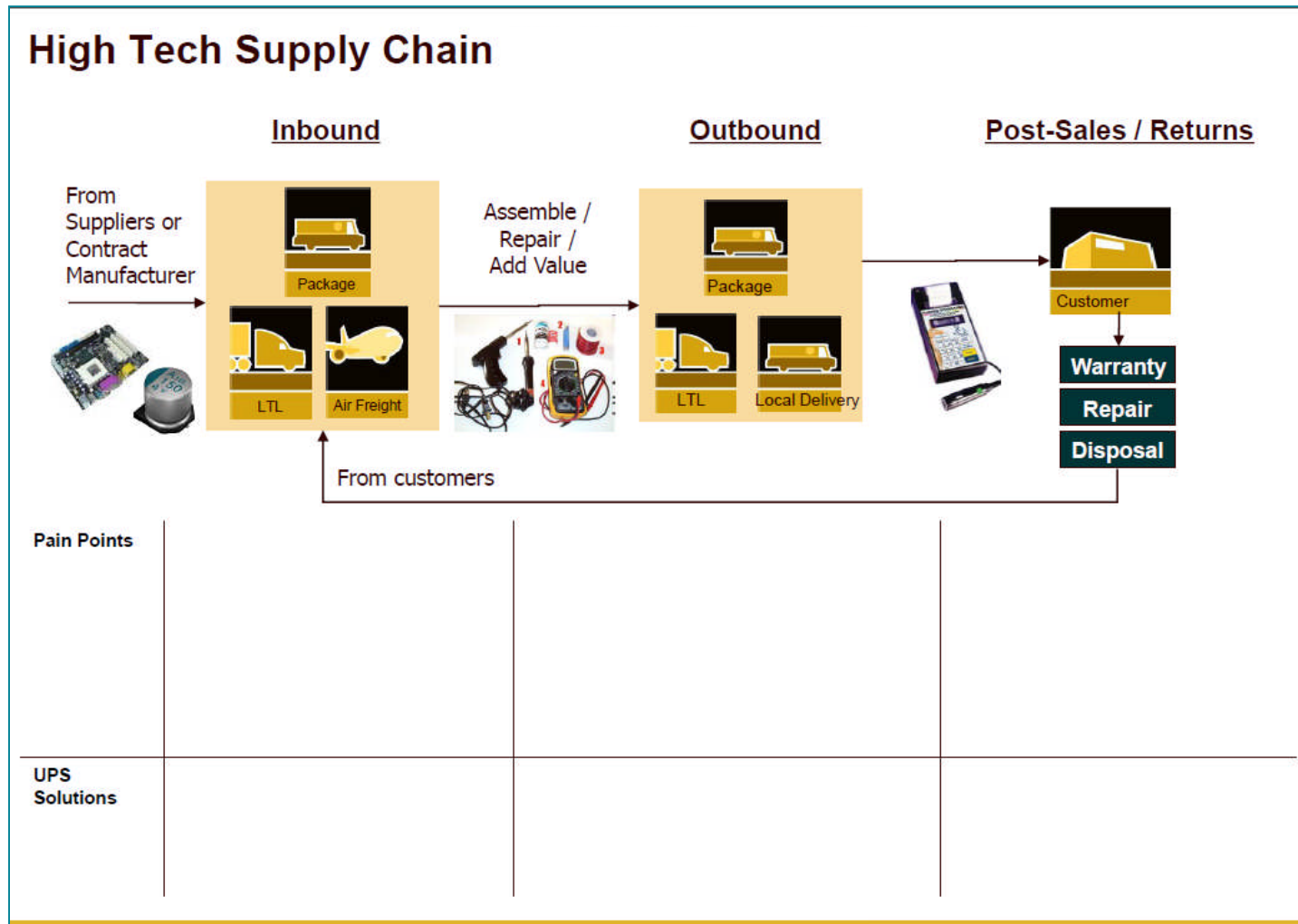


**WE ♥ LOGISTICS™**

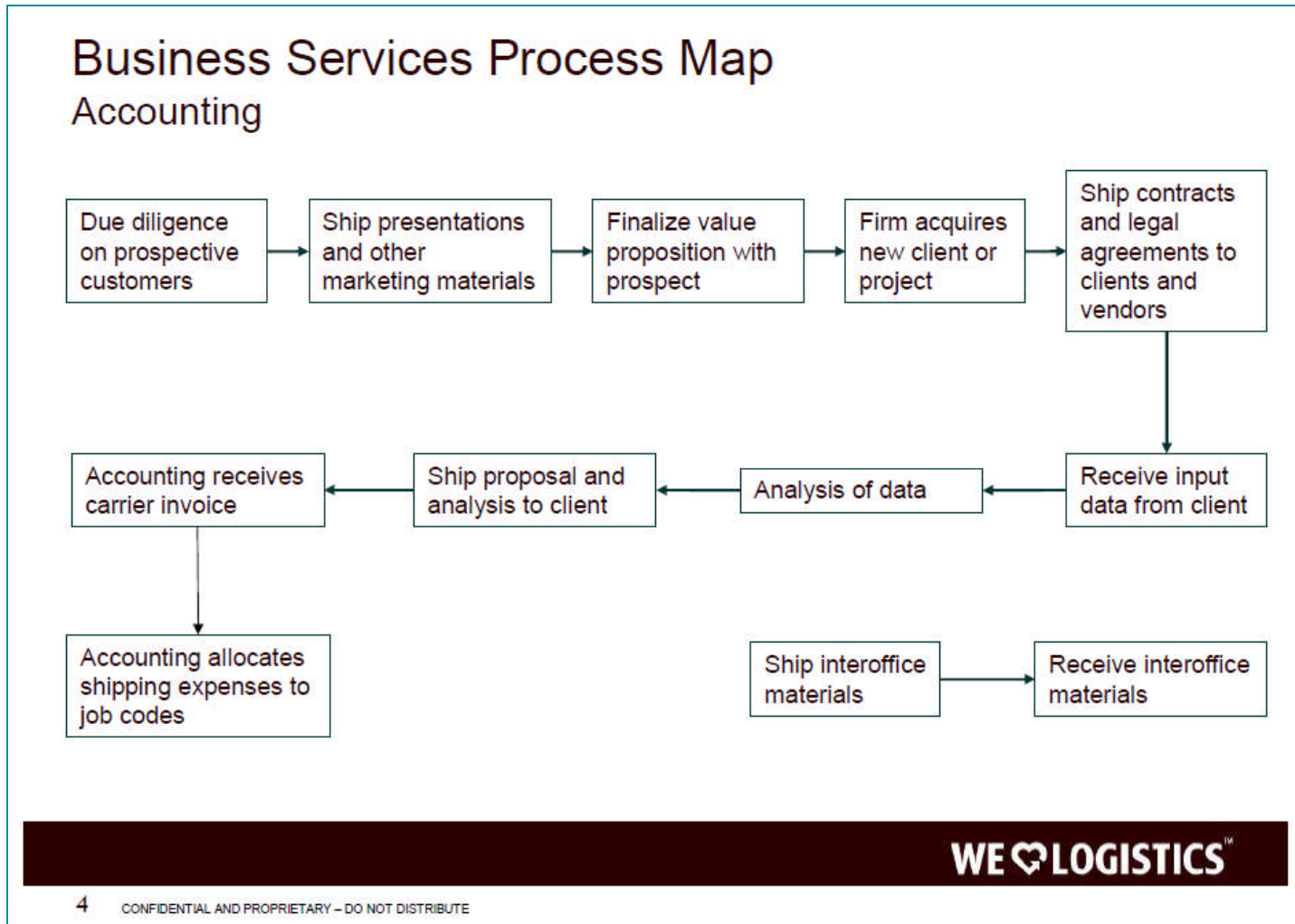
# Agenda

- Ecommerce
  - America's industrial engineers
  - Small business shipping solutions
  - Branding solutions
  - My Choice
  - UPS API's
  - ComScore
  - Kiala / UPS Access Point
- International
- Middle Class Consumer Population White Paper
- Partnership with US Commercial Services
- Solution examples, etc.

# UPS guided supply chain mapping



# UPS guided business process mapping



# Connect accounting, warehouse, website, customer service, etc.

The screenshot displays the UPS WorldShip website. At the top, the UPS logo and 'UPS Solutions' are visible, along with a search bar and location settings for 'United States'. Navigation links for 'ups.com', 'Solutions', and 'Industries' are present. The main header features the 'WorldShip' logo and a link to 'View All Shipping Tools and Technology Solutions'. Social media icons for email, Facebook, Twitter, LinkedIn, and Print are also shown.

**Automate global shipping**  
From packages to pallets  
From Seattle to Singapore  
UPS automates your shipping

The central diagram illustrates the 'WorldShip' hub connecting to various business functions: a customer service representative, a folder icon, a currency exchange icon, a forklift icon, and a checklist icon.

**Key Capabilities**  
If shipping is a critical part of your business, we can relate. You need to get shipments out as quickly as possible without error, keep your customers informed, and analyze your shipping history. WorldShip allows you to:

- Print labels
- Upload customs documentation
- Set up shipment alerts
- Track shipments
- Export shipment data
- Run reports

From package to LTL and air freight, WorldShip enables you to process shipments easily, remain compliant, and reduce costly errors. The Windows-based software is available in 20 languages and more than 140 origin countries.

[Get WorldShip Support >>](#)  
[View WorldShip Installation Guide >>](#)

**Compare UPS Shipping Solutions**  
Compare solutions side-by-side to see which one works best for you.  
[Compare Shipping Solutions](#)

**Get Started**  
Streamline your shipping, reduce cost, and improve customer service with WorldShip. Before you start, have your UPS account number ready.  
[Download WorldShip Now](#)  
[Order WorldShip CD >>](#)

**Take a Look**  
**Watch: WorldShip Overview**  
Is your shipping a long, messy process? See how we can help clean it up.  
**Watch and Explore: WorldShip Demo**  
Increase delivery speed while you decrease shipping and accounting hassles. See how.



15%

Descuento cuando se introduce este código en nuestro sitio web: **D15**



EDUARDO  
3064539267  
EDUARDO ESPRESSO PARTES  
15123 SE 47TH PLACE  
BELLEVUE WA 98006  
UNITED STATES

1 LBS

1 OF 1

SHIPW: 0A15 2TTP 7Y4  
SHIP WT: 1 LBS  
SHIP DWT: 1 LBS  
DATE: 06 JUN 2013

**SHIP TO:**

CAFE FREDA MARIE  
100 MAQUILADORA LANE  
**32880 ENSENADA BC**  
**MEXICO**



**MEX 315 2-00**



**UPS STANDARD**

TRACKING #: 1Z 0A1 5ZT 68 9282 1058



BLIND: P/D  
DISC: TEST

**KEY**

# Color Branded Labels



---

SHEEP DOG WINERY (707) 555-1234  
 789 SHEEP DOG RD SONOMA CA 95476

**1 LBS** **1 OF 1**

**SHIP TO:**  
 JENNIFER SMITH  
 2415 CAPSTONE DRIVE  
 ATLANTA GA 30337

---

**GA 305 9-02**

---

**UPS NEXT DAY AIR** **1**  
 TRACKING #: 1Z 839 922 01 4001 3280

---

---

BILLING: P/P

---

STONE BAY POTTERY (985) 555-1234  
 BUILDING C  
 1020 RODERICK RD MORGAN CITY LA 70380

**1 LBS** **1 OF 1**

**SHIP TO:**  
 JENNIFER SMITH  
 2415 CAPSTONE DRIVE  
 ATLANTA GA 30337

---

**GA 305 9-02**

---

**UPS 2ND DAY AIR** **2**  
 TRACKING #: 1Z 839 922 02 4247 3331

---

---

BILLING: P/P

European Artisan  
Cheeses & More

---

THE CHEESE SIDEBBOARD (603) 555-1234  
 050 HIGH ST PORTSMOUTH NH 03801

**1 LBS** **1 OF 1**

**SHIP TO:**  
 JENNIFER SMITH  
 2415 CAPSTONE DRIVE  
 ATLANTA GA 30337

---

**GA 305 9-02**

---

**UPS 3 DAY SELECT** **3**  
 TRACKING #: 1Z 839 922 12 4059 4712

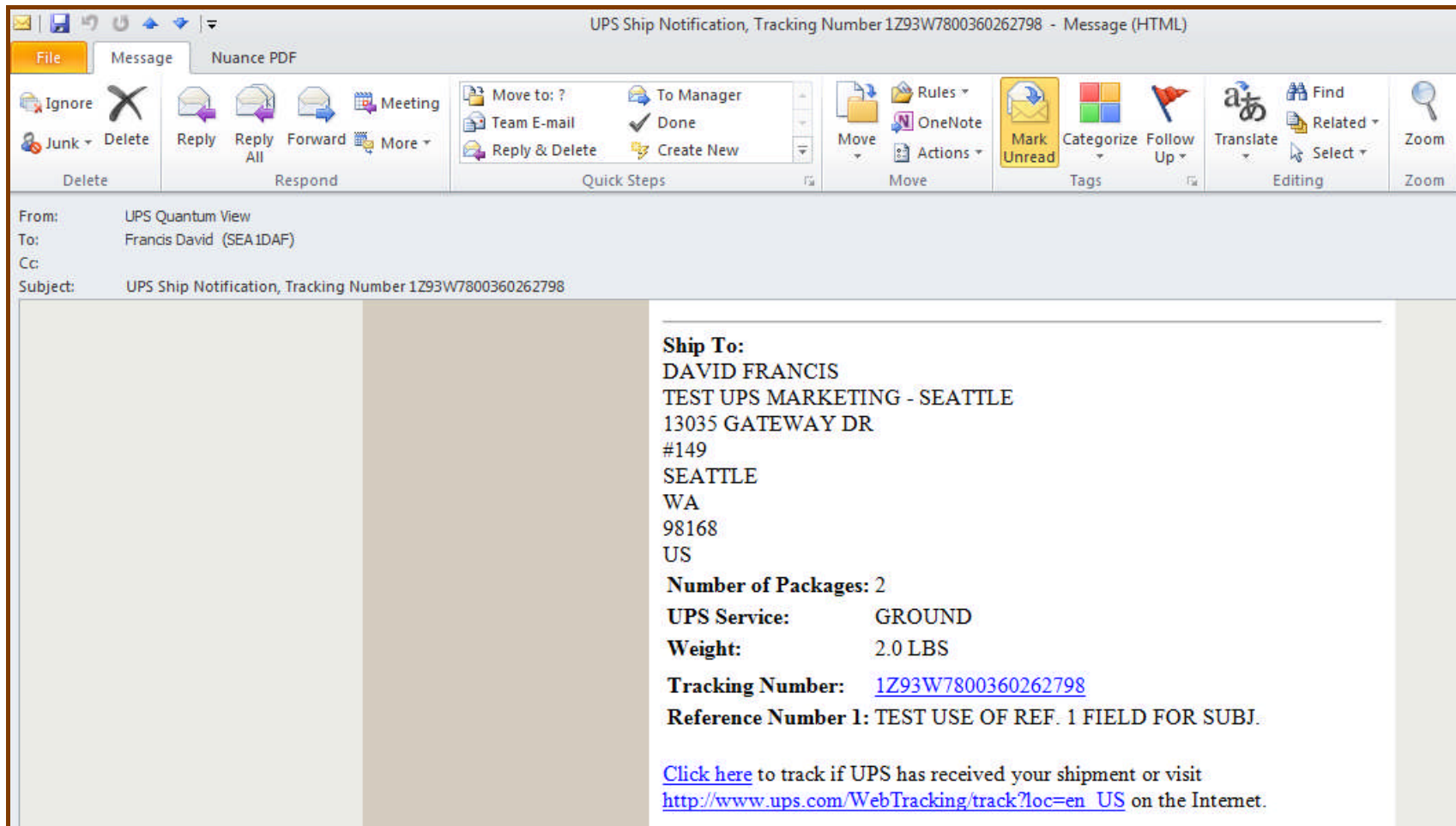
---

---

BILLING: P/P

# Quantum View Notify Email

- No attention on the shipper's brand or identity
- Limited ability for any kind of message



PROPRIETARY AND CONFIDENTIAL: THIS PRESENTATION MAY NOT BE USED OR DISCLOSED TO ANY PERSON OTHER THAN EMPLOYEES OF CUSTOMER, UNLESS EXPRESSLY AUTHORIZED BY UPS.



# “Branded” CrossWare Email

- Primary focus is now on customer logo and message
- Customer can include advertisements for accessories, new products, etc.



Thank you for your order: 99214456

DAVID FRANCIS 13035 GATEWAY DR, #149, SEATTLE, WA 98168, US

Service: UPS GROUND Total Pkgs: 2 Weight: 2 lbs.

Tracking Number: [1Z93W7800360262798](#)

Scheduled arrival: Monday, 4/15

Track here: <http://Oceanbeautytracking/hwerwwwlk921445>

Track at UPS: <http://www.ups.com/WebTracking/99214456>

**Sea Choice Products: Click to order today - save 15%**



# UPS My Choice<sup>®</sup> Customized Delivery Alerts

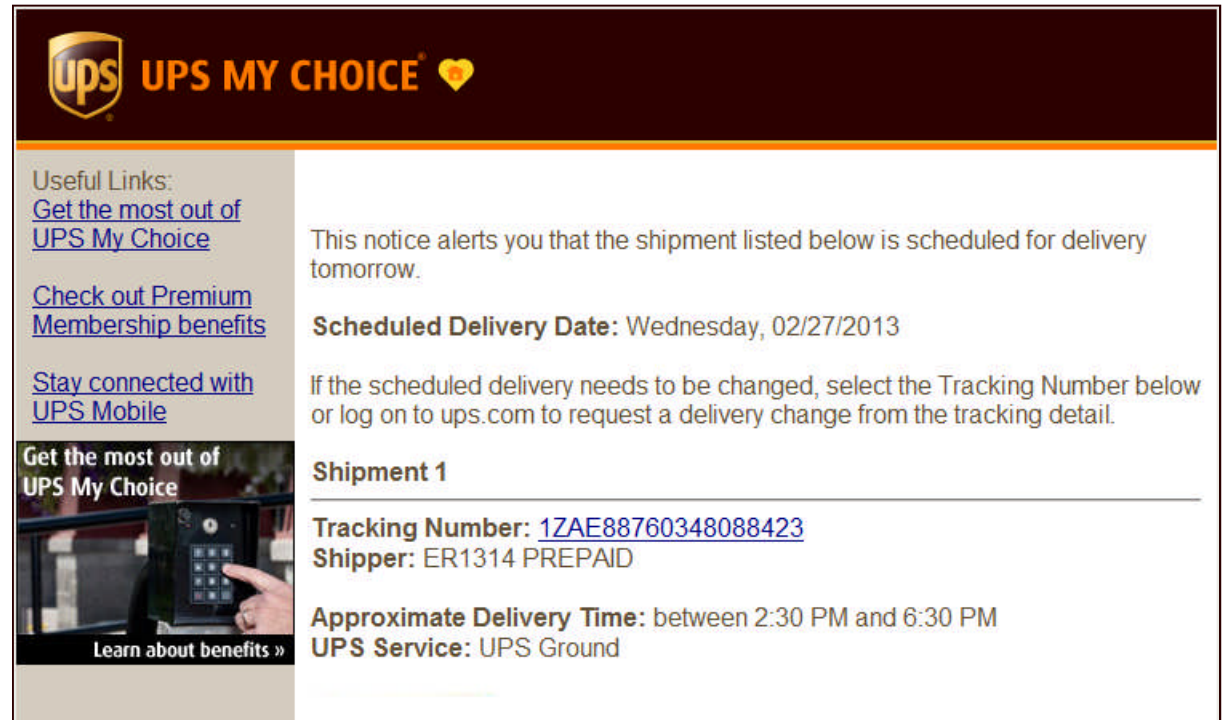
- UPS My Choice provides customers the ability to conveniently control and manage their incoming UPS home delivery packages
- My Choice users receive proactive alerts at various stages of the package delivery life cycle, which contain Scheduled Delivery Date, Shipper Name and Approximate Delivery Time
- UPS has introduced a powerful branding feature that enables Shippers to incorporate their company logo, a promotional messaging and a link to their website

## Current non-customized alerts:

- Generic and informational only
- Branding limited to Shipper Name

## Alerts that support customization are:

- Day Before Delivery
- Morning of Delivery (No Exception Alerts)
- Confirmation of Delivery



The screenshot shows a dark-themed email header with the UPS logo and 'UPS MY CHOICE' text. Below the header, there are several sections: 'Useful Links' with three blue links, a promotional banner for 'Get the most out of UPS My Choice' with a 'Learn about benefits' link, and a main alert body. The alert body contains a notice about a shipment scheduled for delivery tomorrow, the scheduled delivery date (Wednesday, 02/27/2013), a note about changing the delivery, a shipment summary for 'Shipment 1', the tracking number (1ZAE88760348088423), the shipper (ER1314 PREPAID), and the approximate delivery time (between 2:30 PM and 6:30 PM) and service (UPS Ground).

**UPS MY CHOICE** ♥

Useful Links:  
[Get the most out of UPS My Choice](#)  
[Check out Premium Membership benefits](#)  
[Stay connected with UPS Mobile](#)

Get the most out of UPS My Choice  
[Learn about benefits »](#)

This notice alerts you that the shipment listed below is scheduled for delivery tomorrow.

**Scheduled Delivery Date:** Wednesday, 02/27/2013

If the scheduled delivery needs to be changed, select the Tracking Number below or log on to ups.com to request a delivery change from the tracking detail.

**Shipment 1**

**Tracking Number:** [1ZAE88760348088423](#)  
**Shipper:** ER1314 PREPAID

**Approximate Delivery Time:** between 2:30 PM and 6:30 PM  
**UPS Service:** UPS Ground

# Application Programming Interface (API's)

**United States** [New User](#) | [Log-In](#) | [Contact UPS](#) | [The UPS Store](#)

[My UPS](#) | [Shipping](#) | [Tracking](#) | [Freight](#) | [Locations](#) | [Support](#) | [UPS Solutions](#)

## UPS Developer Kit

### Announcements and API Updates

The UPS Developer Kit APIs are updated in January and July each year. Enhancements can range from individual API changes to brand new APIs. There are numerous enhancements to the APIs for January 2014. To view January 2014 and release changes please select the **More** link located in the bottom right corner of this box.

### Developer APIs

<p><b>Shipping/Rating</b></p> <p><a href="#">Address Validation - City, State, ZIP</a> Verify the city, state, and ZIP or postal code information is valid.</p> <p><a href="#">Address Validation - Street Level</a> Verify the street address, city, state, and ZIP or postal code information is valid.</p> <p><a href="#">Locator - Global</a> Find a UPS location or The UPS Store nearest to you.</p> <p><a href="#">Pickup</a> Request a pickup for you or for one of your customers.</p> <p><a href="#">Rating</a> Compare delivery services and shipping rates to determine the best option for your customers.</p> <p><a href="#">Shipping</a> Validate addresses, compare rates, and print labels for your internal business processes.</p> <p><a href="#">Time in Transit</a> Compare shipping transit times of UPS services.</p>	<p><b>Visibility</b></p> <p><a href="#">Quantum View®</a> Stream Quantum View Data via XML over the Web and into internal applications.</p> <p><a href="#">Tracking</a> Provide accurate package status information to your customers.</p> <p><a href="#">Tracking - UPS Signature Tracking®</a> Automate Proof of Delivery for your shipments.</p> <p><b>International Trade</b></p> <p><a href="#">Paperless Documents</a> Upload document images and link to your international shipments.</p> <p><a href="#">UPS TradeAbility®</a> Generate cost estimates for duties, taxes, and transportation for international shipments; locate compliance and licensing information, and identify restricted trading parties.</p>
--	---

# UPS Access Point



[http://link.brightcove.com/services/player/bcpid1393288227001?bckey=AQ--AAAA\\_jYwPEE--7H8d87n1usoTE9MZi61xqNYFtv7XiJWd&bclid=0&bctid=2439995835001](http://link.brightcove.com/services/player/bcpid1393288227001?bckey=AQ--AAAA_jYwPEE--7H8d87n1usoTE9MZi61xqNYFtv7XiJWd&bclid=0&bctid=2439995835001)



# UPS Pulse of the Online Shopper™

A customer experience study

Conducted by



WE ♥ LOGISTICS™

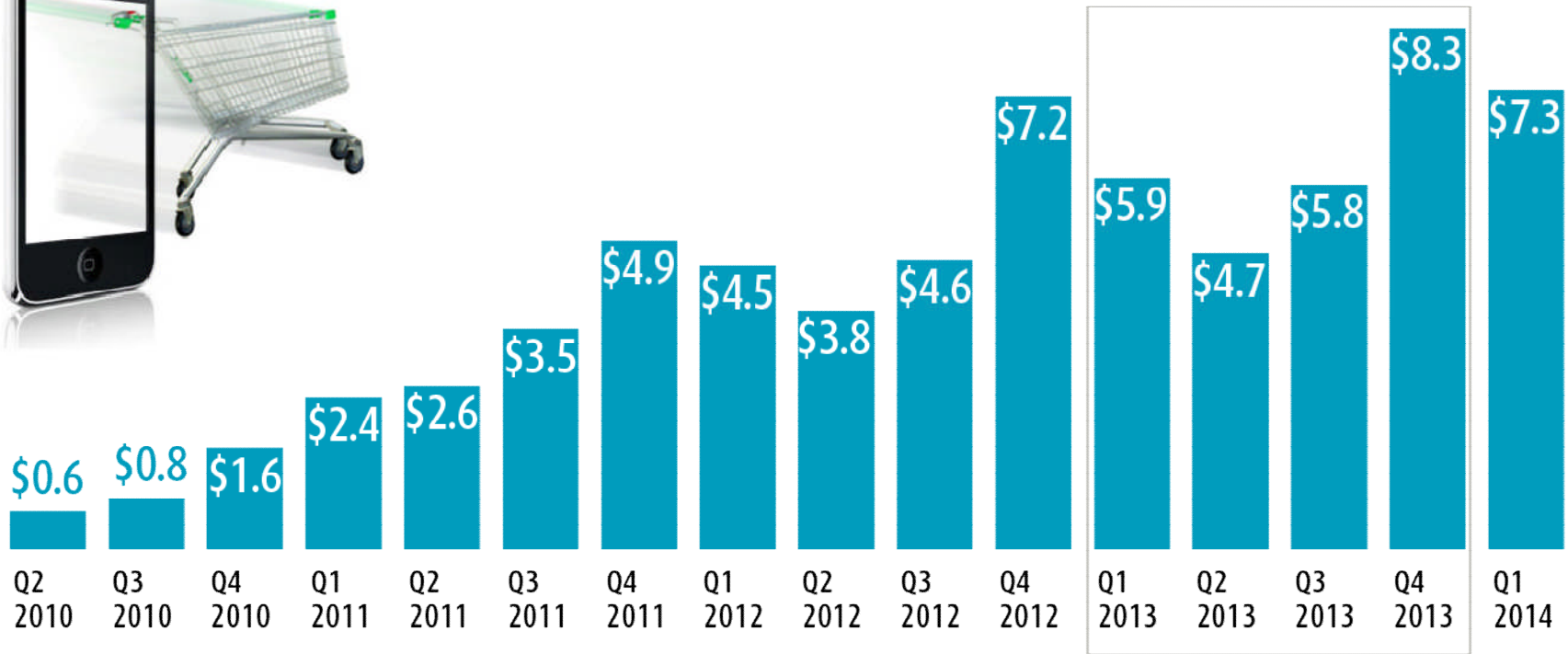
In Q4 2013, m-commerce accounted for 12% of all retail e-commerce for the year, m-commerce nearly hit \$25 billion & grew +22% vs 2012

Percentage of Retail e-Commerce Dollars Spent via Mobile (Smartphone & Tablet)

Source: comScore Custom Mobile Research

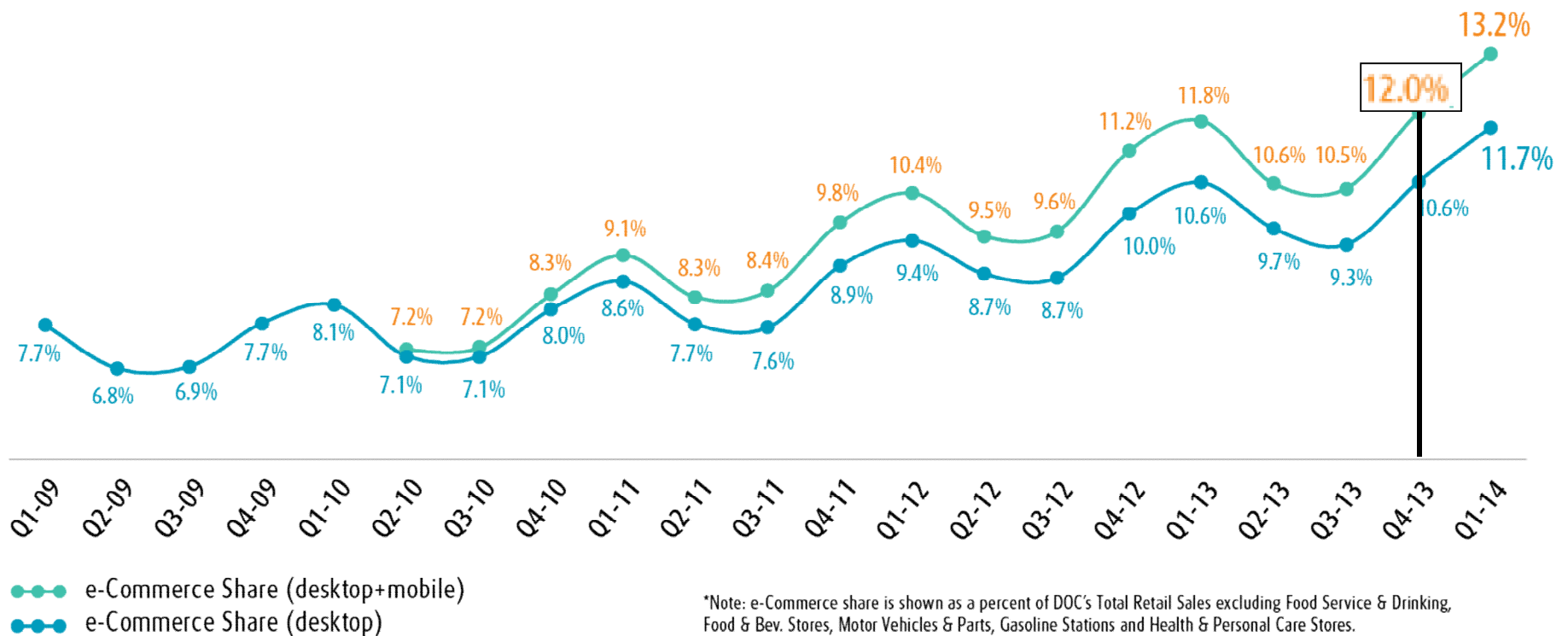


Nearly \$25 billion in m-Commerce spending in 2013



# When including both mobile and desktop spending, e-commerce accounted for 12% of consumers' discretionary spending in Q4 2013

**Desktop & Mobile e-Commerce Share of Corresponding Consumer Spending\***  
 Source: comScore e-Commerce/m-Commerce & U.S. Department of Commerce (DOC) for Retail



# Executive summary: Convenience dominates



**only 44%**  
**OF SHOPPERS ARE**  
**SATISFIED**

with the post-shipment flexibility to choose another delivery date, while only 43% are content with the ability to reroute a package



**only 1/2**  
**OF CONSUMERS ARE**  
**SATISFIED**

with the ease of making a return and the clarity of retailers' policies



**82%**  
**OF SHOPPERS RESPOND**  
**POSITIVELY**

to the ability to return product to the store or ship it back using a free pre-paid label



**1 in 4**  
**PACKAGES**

Consumers prefer one in four packages be delivered to locations beyond their home (e.g., carrier retail stores, retail outlets, lockers, office)



**TIMELY**  
**DELIVERY**

impacts customer satisfaction for 34% of consumers





# Executive summary: Technology adoption

- **Price-sensitive shoppers, living in a promotionally charged retail climate, take advantage of technology to secure best prices**



**4 in 5**  
**CONSUMERS FEEL**  
that free shipping is an  
important factor when  
making a purchase online



**57%**  
**OF SHOPPERS**  
**ABANDON**  
carts to comparison  
shop



**40%**  
**OF MOBILE USERS LOOK**  
for or redeem coupons  
on these devices



**36%**  
**COMPARE PRICES**  
on their smartphones  
when in store



**DELIVERY**  
**SPEED 4<sup>th</sup>**  
most important factor  
when comparing  
retailers (after selection,  
product information  
and reputation)



**93%**  
**OF SHOPPERS TAKE**  
**ACTION**  
to qualify for free  
shipping, and the leading  
action taken is adding  
items to a cart (58%).



# Executive summary: Logistics plays a key role

- Returns remains an area highly valued by consumers but underserved by retailers



**only 58%**  
**OF SHOPPERS SATISFIED**  
with the ease of making  
online returns/exchanges



**52%**  
**OF CONSUMERS**  
want to see a return  
label right in the box



**68%**  
**SAY FREE RETURNS  
SHIPPING**  
is key to a positive  
returns experience

# Increasing Middle Market exports



# The World Is Changing

- The four BRIC (Brazil, Russia, India, China) countries are developing rapidly, by 2050 their combined economies could eclipse the combined economies of the current richest countries of the world.

- Jim O'Neill, Global Economist, Goldman Sachs

Country	2007 Ranking	2050 Ranking
China	5 <sup>th</sup>	1 <sup>st</sup>
India	13 <sup>th</sup>	3 <sup>rd</sup>
Brazil	11 <sup>th</sup>	5 <sup>th</sup>
Russia	12 <sup>th</sup>	6 <sup>th</sup>

# The Global Market Represents Significant Opportunity for Our Customers and Our Company

Nearly **96 percent** of consumers live outside the United States, and **two-thirds** of the world's purchasing power resides in foreign countries.

The typical business that sells to just one market generates roughly \$375,000 in export sales; companies with two to four export markets have average export sales of \$1 million; and those who export to five to nine markets average \$3 million in export sales.

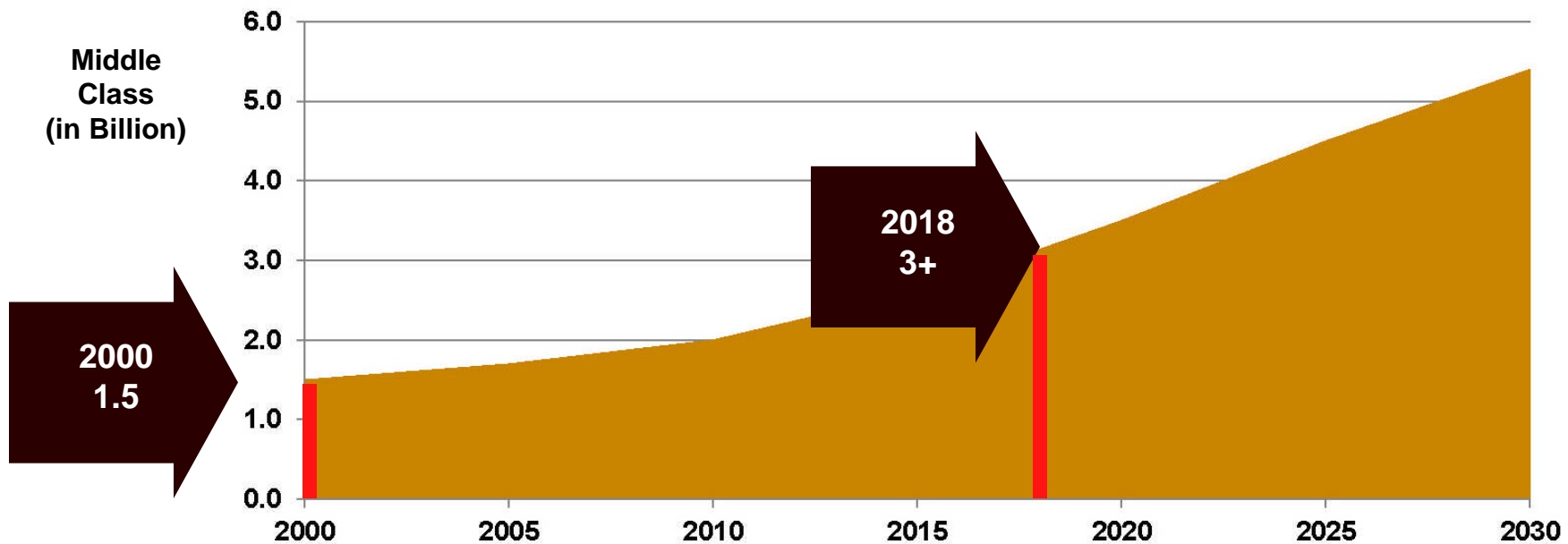


Sources: Department of Commerce January 2014



# Global Middle Class Population Surge











- From the year 2000 to the year 2018, the global population of middle class consumers (with discretionary income) is DOUBLING from 1.5B to 3B)
- That growth in potential customers is almost entirely outside the US



# What's forecasted about this global change?

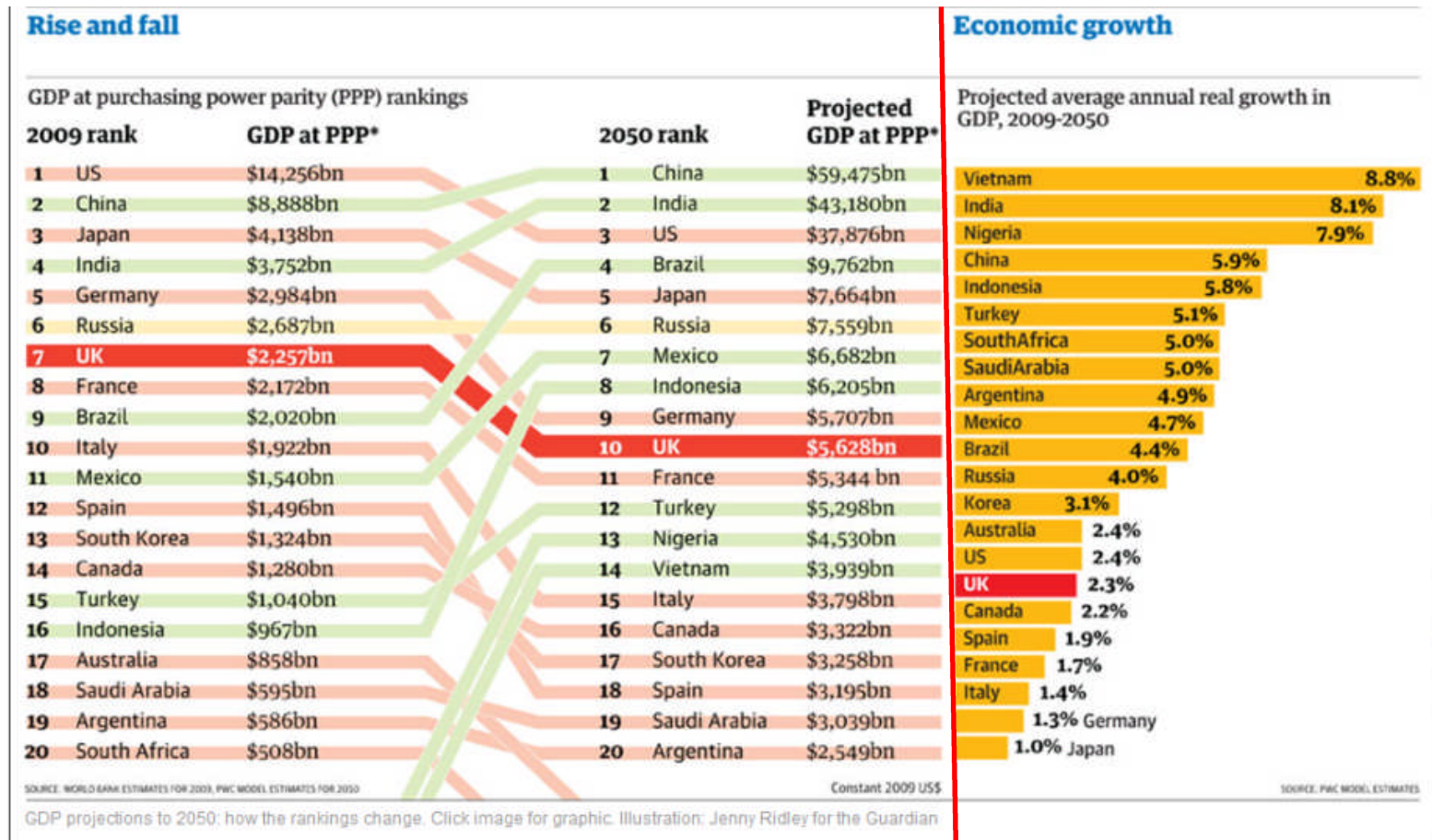
*"...almost 3 billion people, or more than 40% of today's population, will join the world's middle class by 2050."*

- Karen Ward and Frederic Neumann, economists at HSBC Holdings Plc (2012)

Rank ↕	Country (or dependent territory) ↕	Population ↕	Date ↕	% of world population ↕
1	 China <sup>[8]</sup>	1,354,040,000	December 31, 2012	19.15%
2	 India	1,210,193,422	March 1, 2011	17.12%
3	 United States	315,452,000	March 8, 2013	4.46%
4	 Indonesia	237,641,326	May 1, 2010	3.36%
5	 Brazil	193,946,886	July 1, 2012	2.74%
6	 Pakistan	182,438,000	March 8, 2013	2.58%
7	 Nigeria	166,629,000	July 1, 2012	2.36%
8	 Bangladesh	152,518,015	July 16, 2012	2.16%
9	 Russia	143,369,806	January 1, 2013	2.03%
10	 Japan	127,400,000	February 1, 2013	1.8%



# Fast-growing economies will dominate the future



- Over the next 40 years,
  - the BRIC will claim 4 of the world's 6 largest economies, including the top 2



# But how can people see my products? Do they have Internet access?

Many of them do. (Top 10 countries in terms of Internet use)

China already has nearly two times the U.S. user population

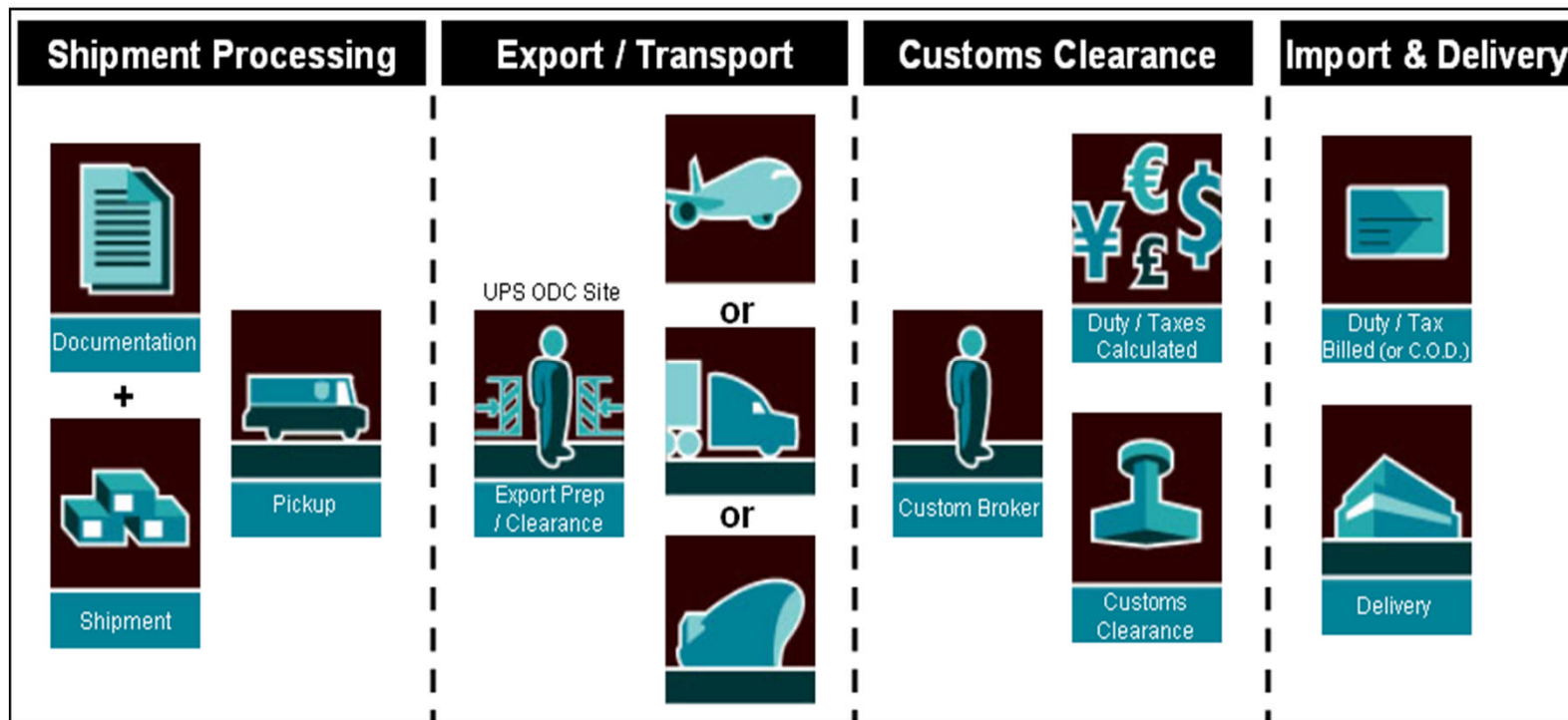
Ranking	Country or Region	2011 Population	2012 Internet Users	Penetration
1	China	1.3 b	538,000,000	40.10%
2	United States	313 m	245,203,319	78.10%
3	India	1.2 b	137,000,000	11.40%
4	Japan	127 m	101,228,736	79.50%
5	Brazil	200 m	88,494,756	45.60%
6	Russia	142 m	67,982,547	47.70%
7	Germany	81 m	67,483,860	83.00%
8	Indonesia	248 m	55,000,000	22.10%
9	United Kingdom	63 m	52,731,209	83.60%
10	France	65 m	52,228,905	79.60%



# Basics of International Logistics

When our customers send packages around the world, each shipment flows through a similar process. While country requirements may vary, this figure illustrates the general flow of international packages.

The Flow of International Shipments



# Paying Duties and Taxes



Most countries assess duties and taxes on imported products based on a common classification code known as the [Harmonized Tariff System](#). This harmonized system was designed to simplify global trade and categorizes millions of products into roughly 68,000 classification codes.

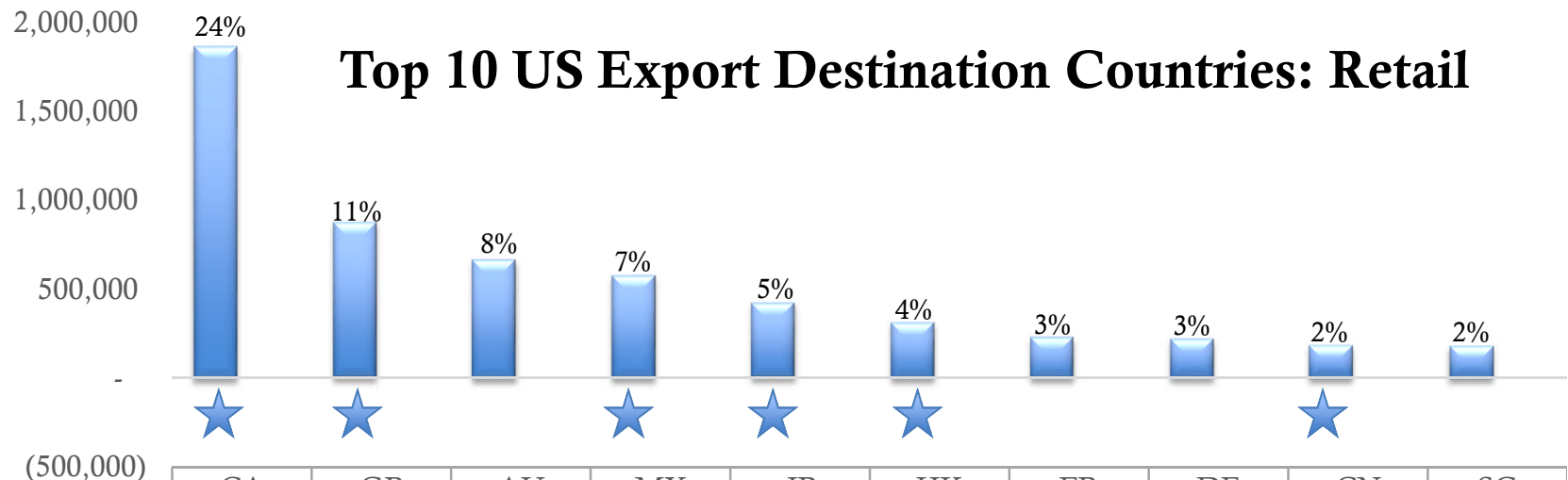
- Depending upon how a shipment is set up, the responsibility of payment may fall to the:
  - **Shipper**
    - [UPS Free Domicile](#) Billing Option: Shipper pays shipping, duties & taxes
  - **Consignee**
    - [UPS Prepaid](#) Billing Option: Shipper pays shipping but consignee pays duties & taxes
    - [Freight Collect](#) Billing Option: Consignee pays all shipping, duties & taxes
  - **Consignee & Shipper**
    - [UPS Split Duty/Tax](#) Billing Option: Shipper pays shipping and duties but consignee pays taxes
  - **Third party**
- The billed party will be invoiced or may be required to pay a C.O.D. for duties and taxes at delivery

More detail on documentation, customs clearance and duties will be provided in a later "Brokerage 101" session



# The US Export Market

- US Exports are an **\$8.2 billion market**. More than half of the opportunity (>\$3 billion) is estimated to be in the middle market.
- US Export volume is forecasted to grow 16% (4% CAGR) between 2013-2017
- The U.S. is a key origin/destination for the fastest growing global trade lanes



	CA	GB	AU	MX	JP	HK	FR	DE	CN	SG
■ Shipments (in thousands)	1,867,901	873,869	667,656	575,357	423,499	312,333	226,758	218,209	182,915	178,988
■ CAGR 13-17	2%	0%	3%	2%	0%	6%	4%	1%	4%	1%

**The US Export market is growing.  
We need to connect our customers with this opportunity**

Sources: SPM; BIA Opportunity Model; Seabury, June 2013;



# UPS Partnership with US Commercial Services

Expand your exports. Grow your company.

UPS customers expanding to new markets grew their UPS exports 2.8 times faster than UPS customers exporting to a single market.\*

## Logistics opens up a world of possibilities

As a UPS® customer exporting to international markets, UPS can help you grow your export sales through our partnership with the U.S. Commercial Service.

Industry experts at the U.S. Commercial Service have identified these countries as hot markets for expansion:

- Canada
- Mexico
- China
- European Union
- India
- Brazil

## Sign up now for your FREE consultation and webinar series

Register today at [export.gov/ups](http://export.gov/ups) to put the power of logistics and the U.S. Commercial Service to work for you. A trade specialist will contact you to begin uncovering new opportunities in international markets and developing your export expansion strategy.

\*Based on UPS exporters averaging at least one shipment per month per calendar year.

© 2011 United Parcel Service of America, Inc. UPS, the UPS trademark and the color brown are registered trademarks of United Parcel Service of America, Inc. All rights reserved. UPS is a partner in the Corporate Partnership Program of the U.S. Commercial Service. 01971330

Register today at [export.gov/ups](http://export.gov/ups) to access a variety of free resources including:

- Trade consultation with an industry expert
- Export tools to target the best markets
- Webinars with practical export advice

## Expert guidance. Proven results.

With offices in 107 U.S. cities and 78 countries, the U.S. Commercial Service provides:

- Trade Counseling
- Market Intelligence
- Business Matchmaking
- Commercial Diplomacy



WE ♥ LOGISTICS™

# UPS Global E-Commerce Solution | Technology



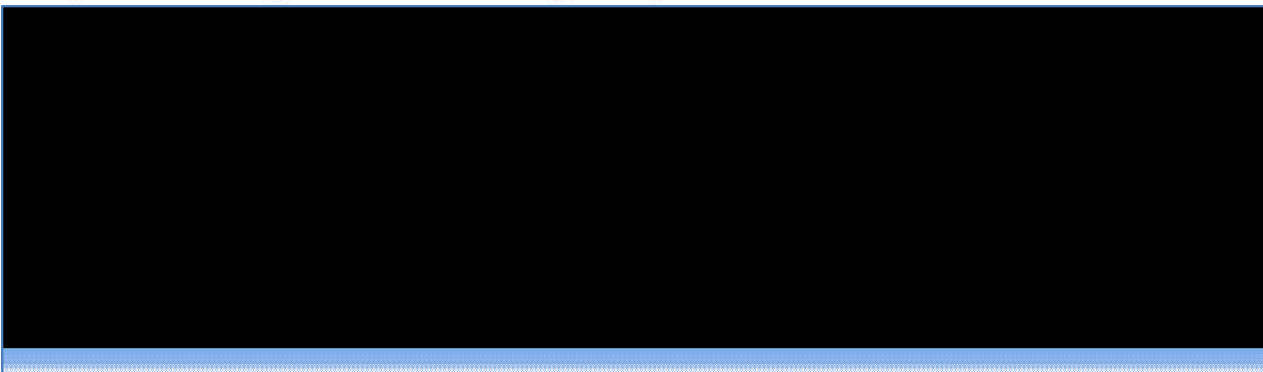
## Seamless Transactions Across Borders

More than ever, consumers shop in a global marketplace. Handling transactions with customers worldwide requires more than an international shipping plan--it requires the power of logistics.

Whether you want to expand into a new market or enhance service to current international consumers, we can help you create loyal shoppers.

Our global e-commerce solution makes it easy to manage the processes for currency conversion, cost calculations, payment and fraud protection, returns, customs compliance, and shipping.

This technology integrates quickly with your retail website and gives you full control, helping you avoid costly, time-consuming, and inefficient "home-grown" systems.



All of this gives you easier, more reliable international transactions. From initial purchase and shipping to international returns, UPS gives you the power to control your supply chain and customer experience.

## Technology

- ▶ ConnectShip
- ▶ iShip
- ▶ UPS SampleSure
- ▶ UPS Trackpad
- ▶ UPS Complete View Shipping
- ▶ UPS Complete View Returns
- ▼ UPS Global E-Commerce Solution

## Get Started

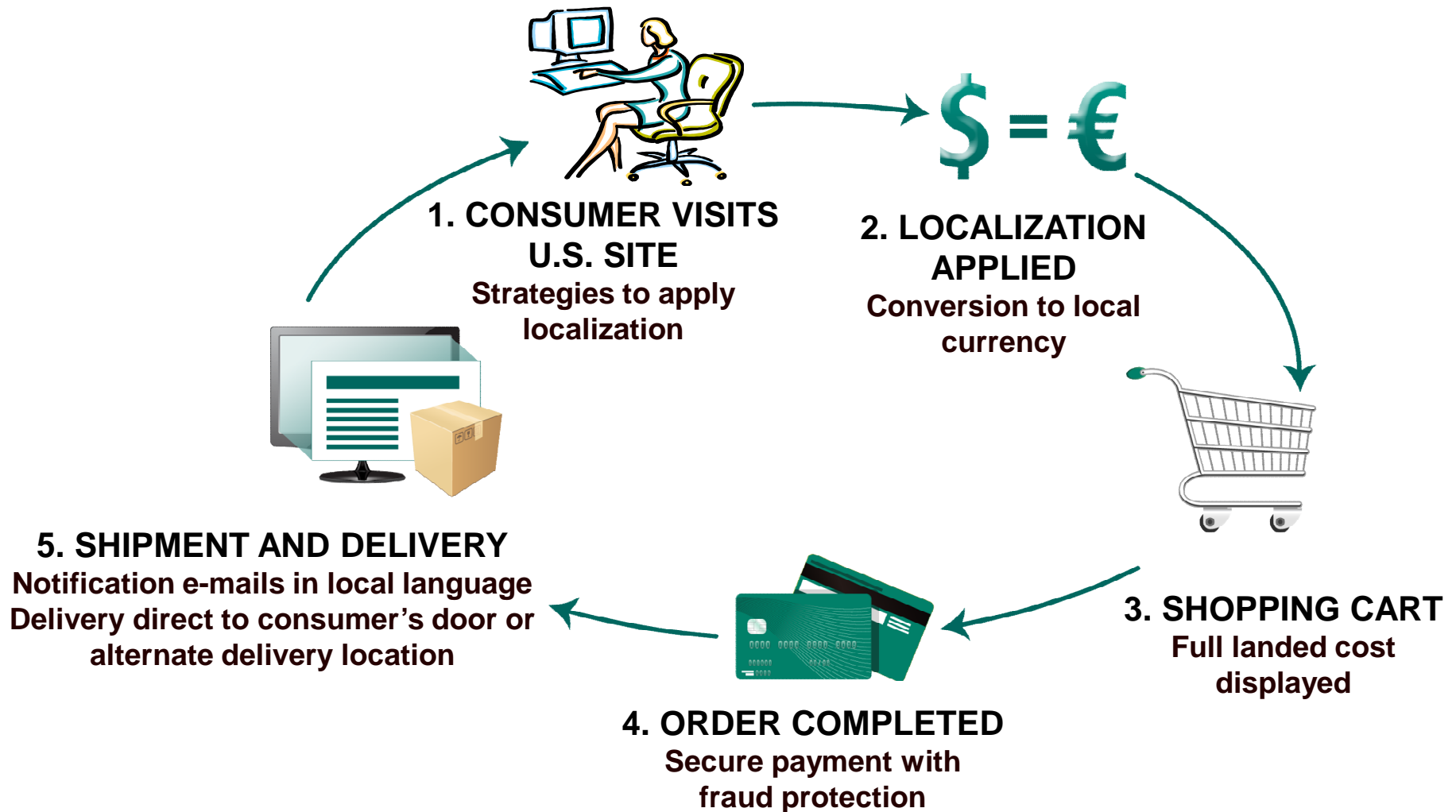


Let us put our ideas to work for you and your bottom line.

Contact UPS

# UPS Global e-Commerce Solution

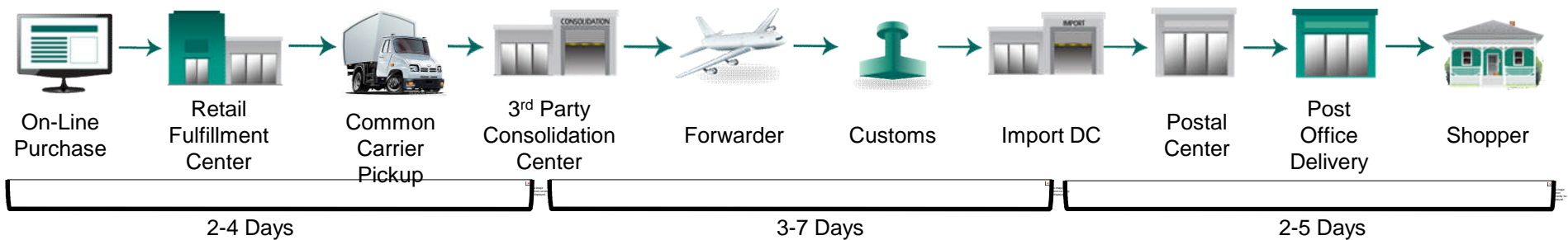
A seamless customer experience



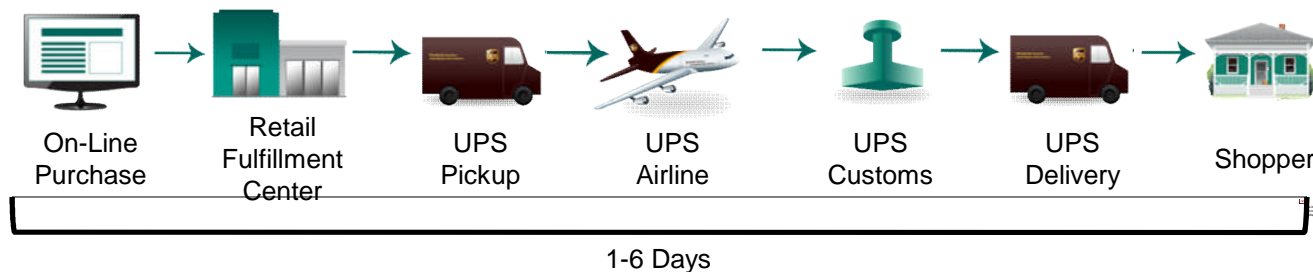
# UPS Global e-Commerce Solution

## Package Flow Comparison

**Third Party Solution** – Delivery can take 7 – 16 business days



**UPS Solution** – Streamlined Delivery typically in 1-6 days







GUESS

Made in

The World of GUESS

Language: English

MY ACCOUNT / SIGN OUT

SHOPPING BAG (1)

CHECKOUT



WOMEN MEN DENIM ACCESSORIES BAGS SHOES SALE

HOME / MEN / VESTS / CRATER DENIM VEST

SHOP BY CATEGORY

- DENIM
- SHIRTS
- SWEATERS & SWEATSHIRTS
- VESTS
- BLAZERS
- JACKETS & OUTERWEAR
- PANTS
- SHORTS


FEATURES

- NEW ARRIVALS
- BEST SELLERS
- TREND TO WEAR: BLACK & WHITE
- TREND TO WEAR: CAMO
- TREND TO WEAR: STUDS
- DENIM HI GUIDE



FREE SHIPPING

Recently Added close



Crater Denim Vest  
 SIZE: L  
 COLOR: VRTX  
 QUANTITY: 1 @ CAD 138.00

Sub Total CAD 138.00

[GO TO SHOPPING BAG](#) [CHECKOUT](#)

# CRATER DENIM VEST

CAD 138.00

Style # M72ND5DR203

Frayed edges and genuine leather detail give this medium-weight denim vest a worn-in look. Metal rivets on the left front pocket read 1981,...

[+ SEE MORE](#)

Color: VORTEX WASH



Size: (Size Chart)

- XS
- S
- M
- L
- XL

Quantity

[ADD TO BAG](#)



GUESS

Martine

The World of GUESS

Language: English



MY ACCOUNT / SIGN OUT

SHOPPING BAG (1)



ONLINE & IN-STORES

DENIM TRY-ON EVENT \$20 OFF FULL-PRICED JEANS\* use code: JEANS20

[\\*DETAILS](#)

### Checkout

1. Sign In

2. Shipping Info Edit

18R-3200 Dufferin St  
Toronto, ON M6A 0A1  
Ground 3-5 business days

**3** Payment & Billing Info

Enter Promo Code


[APPLY CODE >](#)

**Gift Cards**

Use your GUESS? or Marciano Gift Cards.

[APPLY GIFT CARD >](#)


YOU HAVE 1 ITEMS IN YOUR CART

 Crater Denim Vest CAD 138.00

Size: L [UPDATE](#)

COLOR: VORTEX WASH

Qty: 1 @ CAD 138.00



SUMMARY	
SUB TOTAL	CAD 138.00
SHIPPING & HANDLING	CAD 15.00
TOTAL TAX	CAD 19.89
DUTIES	CAD 26.01
<b>ESTIMATED TOTAL</b>	<b>CAD 198.90</b>





# UPS Global e-Commerce Solution

## Pilot Customer Results

- **Client's primary clothing line**

- Orders +42% 
- Revenue +51% 

- **Client's premium clothing line**

- Orders +23% 
- Revenue +39% 

- **Customer Service**

- WISMO Calls -40% 



- **Marketing Director** – *“We have experienced amazing growth with the UPS Solution, without advertising”*
- **Customer Service Director** – *“Our customer concern calls have significantly reduced due to your visibility tools”*
- **IT Director** – *“The UPS API integration process was much easier and smoother to implement than your competitors’ ”*
- **CIO** – *“The UPS solution adds real value with enhanced transit times, and visibility. This implementation was a success with a capital S”*

Note: Results are from 10/13/12 – 12-3-12 compared to the same time period in 2011



## How UPS helps middle market businesses grow ecommerce and export revenues

UPS State Government Affairs Director Kristal Fiser, [kfiser@ups.com](mailto:kfiser@ups.com), 206-418-9006  
UPS Retail Marketing Manager David Francis, [dfrancis@ups.com](mailto:dfrancis@ups.com), 206-450-1267



**WE ♡ LOGISTICS™**