



# Essential Fulfillment Solutions for E-commerce Growth in 2019



<b>THE FULFILLMENT LANDSCAPE .....</b>	<b>3</b>
Bigger. Faster. More Competitive.	

<b>NEWEGG'S FULFILLMENT HISTORY .....</b>	<b>4</b>
Success Through Dedication To Customer Service	

<b>SHIPPED BY NEWEGG (SBN) .....</b>	<b>6</b>
Your Answer to Full Circle Fulfillment	
<ul style="list-style-type: none"><li>• Cost Savings</li><li>• Case Study: Leveraging SBN Perks</li><li>• Expanding Your Business Cross-Border</li></ul>	

<b>NEWEGG RETURN SERVICE .....</b>	<b>12</b>
The Key to Garnering Repeat Customers	

<b>SHIPPING LABEL SERVICE .....</b>	<b>15</b>
Lessen 3PL's Drain On Your Margin	

<b>NEWEGG INTERNATIONAL SHIPPING PROGRAM (NISP) .....</b>	<b>16</b>
Your Passport To Selling Globally	

<b>MORE COMPETITIVE TOOLS .....</b>	<b>18</b>
Answers to Common Fulfillment Burdens	
<ul style="list-style-type: none"><li>• Giving Sellers Control</li><li>• In an Eggshell</li></ul>	



## BIGGER. FASTER. MORE COMPETITIVE.

Recognizing the World  
E-commerce has Created

Since the rise of e-commerce in the early 2000's, the shipping and fulfillment industries have grown hand in hand — supporting online sales and evolving customer expectations worldwide.

Individuals are noticing the growing rate at which large warehouses are popping up around their community. All this is to feed the increasing demand for more warehouse space to store and ship the growing supply of online goods. It is estimated that 1.25 million square feet of logistics space is needed per \$1 billion of annual incremental online sales<sup>1</sup>. According to 2018 Q2 figures, 48.9 million square feet of new warehouse space was constructed,

yet still fell short of the actual demand of 58.8 million square feet<sup>2</sup>. This is showing us that online sales are outpacing construction of warehousing to store all the goods! Because online retailers lead the way in warehouse demand, it is clear that not only is the business of e-commerce growing, but also that many online sellers are turning to fulfillment centers to receive, house, and ship their products.

Similar to how consumers can't remember a life without the convenience of online shopping, the days of acceptable shipping taking several business days or even weeks are now a distant memory. In a recent

survey of over 4,000 consumers, 83% believe “fast shipping” to be two days or less<sup>3</sup>. With this fact, many sellers are feeling the pressure to compete with larger competitors on not just price, but now also fulfillment times. Unable to contend with the established shipping rates and services of their competitors, these sellers are fighting to compete at a detriment to their profit margins.

This rising problem within e-commerce marketplaces necessitated the need for an even playing field for sellers. Enter fulfillment services.

### SOURCES

1. [Digital Commerce 360: The emerging battle for e-commerce warehouse space](#)

2. [CBRE: Q2 2018 U.S. Industrial & Logistics Figures](#)

3. [Deloitte: 2018 Deloitte Holiday Retail Survey](#)



## **SUCCESS THROUGH DEDICATION TO CUSTOMER SERVICE**

Since 2001, Newegg has been investing in our fulfillment infrastructure.

Since the beginning days of Newegg's e-commerce platform in 2001, it was understood that the key to growth was founded in quality products with fast and reliable shipping. With over 15 years of e-commerce experience, global expansion, development of leading customer service teams, and the constant development of warehouse locations nationwide have made Newegg forerunners in e-commerce fulfillment and customer satisfaction. This dedication has led to Newegg achieving deliveries to 91% of North America in just 2 days with ground shipping.

What propels our growth is that we listen to our sellers' business needs and pain points. This input and experience directly led to the rollout of several tailored fulfillment services. Our goal was and is to create programs that fit the diverse needs of marketplace sellers. Whether it be for sellers who choose to ship on their own, or for those who strive to sell internationally, Newegg offers services that can positively impact almost any of our sellers' businesses.





# 91%

of Newegg deliveries reach anywhere in North America with just 2 day ground shipping

**BRITISH COLUMBIA**

**60,000**  
total sq.ft

**CALIFORNIA**

**354,000**  
total sq.ft

**ONTARIO**

**70,000** total sq.ft

**NEW JERSEY**

**351,000** total sq.ft

**INDIANA**

**450,000** total sq.ft



#### DID YOU KNOW?

Newegg's 113,000 sq. ft Shanghai, China warehouse supports the authentic branded products of a mobile-centric platform that helps sellers target affluent Chinese customers with a taste for western brands and an affinity for a smart and digital lifestyle.



## YOUR ANSWER TO FULL CIRCLE FULFILLMENT

Designed for companies of  
any size, in any region.

**Shipped by Newegg (SBN)  
was created to address the  
360-degree fulfillment needs  
of marketplace sellers.**

With a focus on cost-effective fulfillment that picks, packs, and ships on a seller's behalf, [SBN](#) allows merchants to focus on the more important aspects of their business. SBN was designed for sellers who want to free up resources and warehouse space by having Newegg handle all the warehousing, shipping, and customer service duties.

Our 24/7 multilingual customer service teams are adept in handling and resolving the diverse inquiries and issues of customers - all on sellers' behalf. Sellers enrolled in SBN see average savings of 18% on shipping, 5% lower inbound rate fees, and a pick and pack fee of at least 5% less when compared to leading competitors.

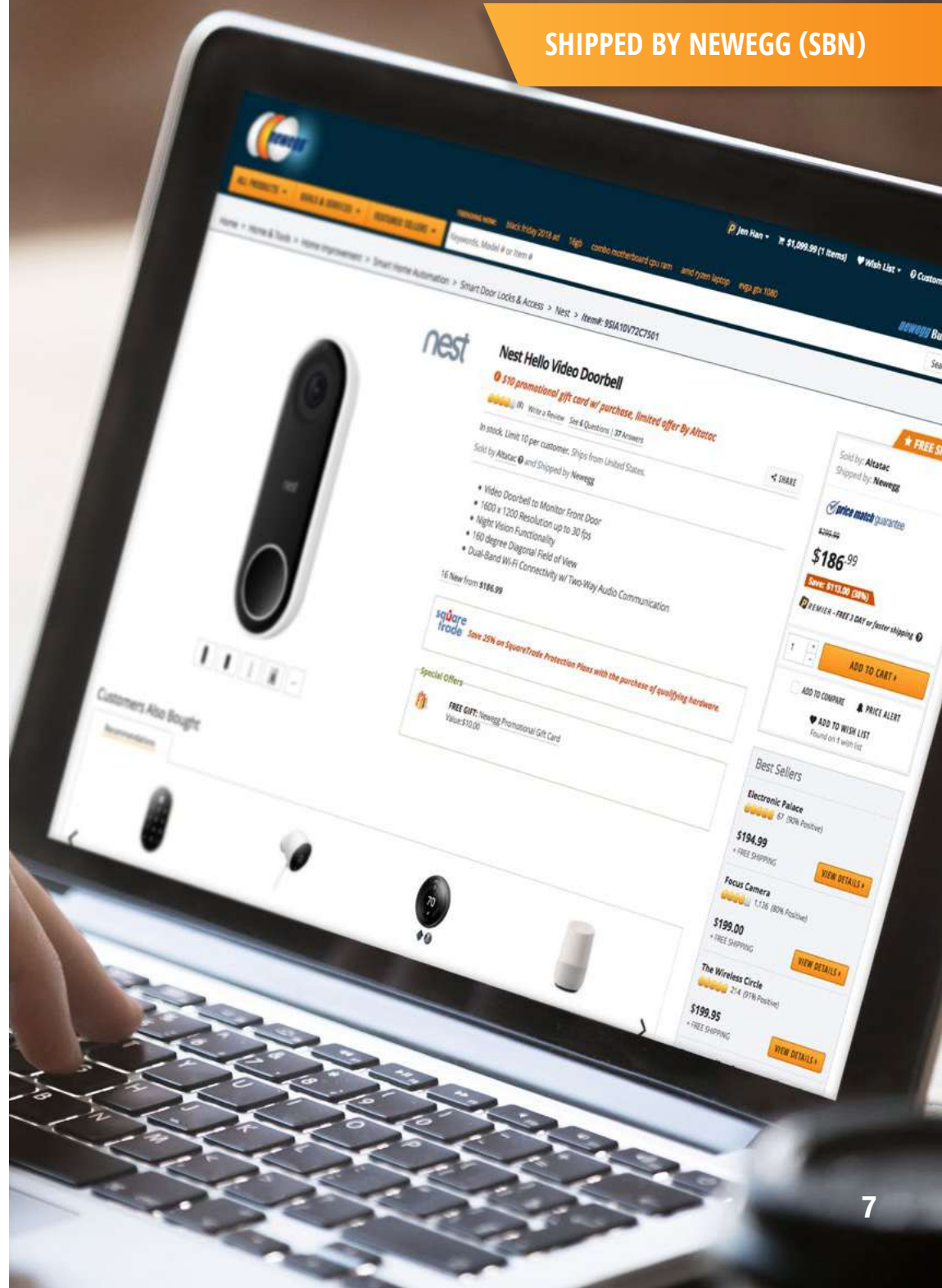
SHIPPED BY NEWEGG (SBN)

## With the goal of offering a complete solution to sellers, SBN benefits extend well beyond greater profit margins.

For merchants, often the most competitive element of e-commerce selling is ensuring that their products win the buybox. The buybox represents the top offer of a listing on the product page and usually garners the majority of sales. Though each marketplace has a different “secret sauce” to winning the buybox, there is no doubt that pricing plays the largest role in which seller gets featured in this coveted position. Newegg supports sellers who value their customers’ experience and have developed ways for sellers to compete - even if they don’t always have the lowest price. It is because SBN exemplifies top-tier customer service, trusted shipping providers, and healthy inventory levels, that these customer-centric qualities carry weight over into Newegg’s buybox algorithm and can wind up getting sellers’ products in front of more eyes and ranked ahead of competitors with lesser attributes.

A closer look into SBN sellers’ Q1 2018 sales shows that they are receiving 79% more orders with the same SKUs than sellers who are shipping on their own, justifying that these improved rankings add to a solid impact in sales. When competing on marketplaces, it shouldn’t have to be a race to the bottom in pricing, but rather a strategic understanding and implementation of the tools at your disposal to improve performance.

SHIPPED BY NEWEGG (SBN)







SHIPPED BY NEWEGG (SBN)

## COST SAVINGS

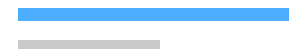
Newegg supports sellers who value their customers' experience and have developed ways for sellers to compete - even if they don't always have the lowest price.

Sellers enrolled in SBN see average savings of 18% on shipping, 5% lower inbound rate fees, and a pick and pack fee of at least 5% less when compared to leading competitors.

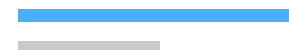
### 18% Average Savings



### 5% Lower Inbound Rate



### 5% Less Pick & Pack Fee







SHIPPED BY NEWEGG (SBN)



*Newegg has been a top marketplace performer for us with its ability to drive organic traffic through its niche customers.*

– Altatac



#### CASE STUDY:

## LEVERAGING SBN PERKS

Discover the additional benefits of Newegg's fulfillment services.

An example of a Newegg seller utilizing SBN strategically is the multi-platform seller Altatac. Though normally relying on their own 3PL service and warehousing, an opportunity arose for them to promote a smart thermostat product that was low in margin and high in inventory. By teaming up with their Newegg Account Manager, Altatac learned that their product was the perfect size and price point to qualify for zero-fee fulfillment through SBN. Using free shipping as their foundation, Altatac created a marketing campaign utilizing the additional benefits of SBN. Because competitor pricing was so similar, the choice to

leverage SBN on these SKUs positively impacted their buybox algorithm, shooting their product listings to the top of the search results. Expecting additional product views and sales, they leveraged these increased profit margins of using SBN shipping and compounded their product's appeal with more competitive pricing, further increasing sales and depleting their warehouse overstock. By navigating the different fulfillment advantages of Newegg, Altatac was able to create campaigns and promotions based on their specific inventory and product needs.



SHIPPED BY NEWEGG (SBN)

## EXPANDING YOUR BUSINESS CROSS- BORDER

Become a global business,  
simply by flipping a switch  
on Seller Portal.

Sellers looking to expand their business globally are finding incredible value in SBN. With the click of a button, sellers who are already leveraging SBN can begin selling in over 50 countries. Accounting for 57% of SBN users, these cross-border sellers are able to send their products directly into Newegg warehouses and forego any worries about shipping, customer service, returns, or troublesome customs processes.

As an added benefit, international sellers can also use the very same inventory in Newegg warehouses to sell through any other marketplace using Multi-Channel Fulfillment. SBN sellers have this flexibility to ship all their e-commerce products from one central point.





## TAKEAWAYS

### WHO IS IT FOR?

Regional and global sellers who want to free up resources and warehouse space by having Newegg handle all the warehousing, shipping, and customer service duties

### BENEFITS

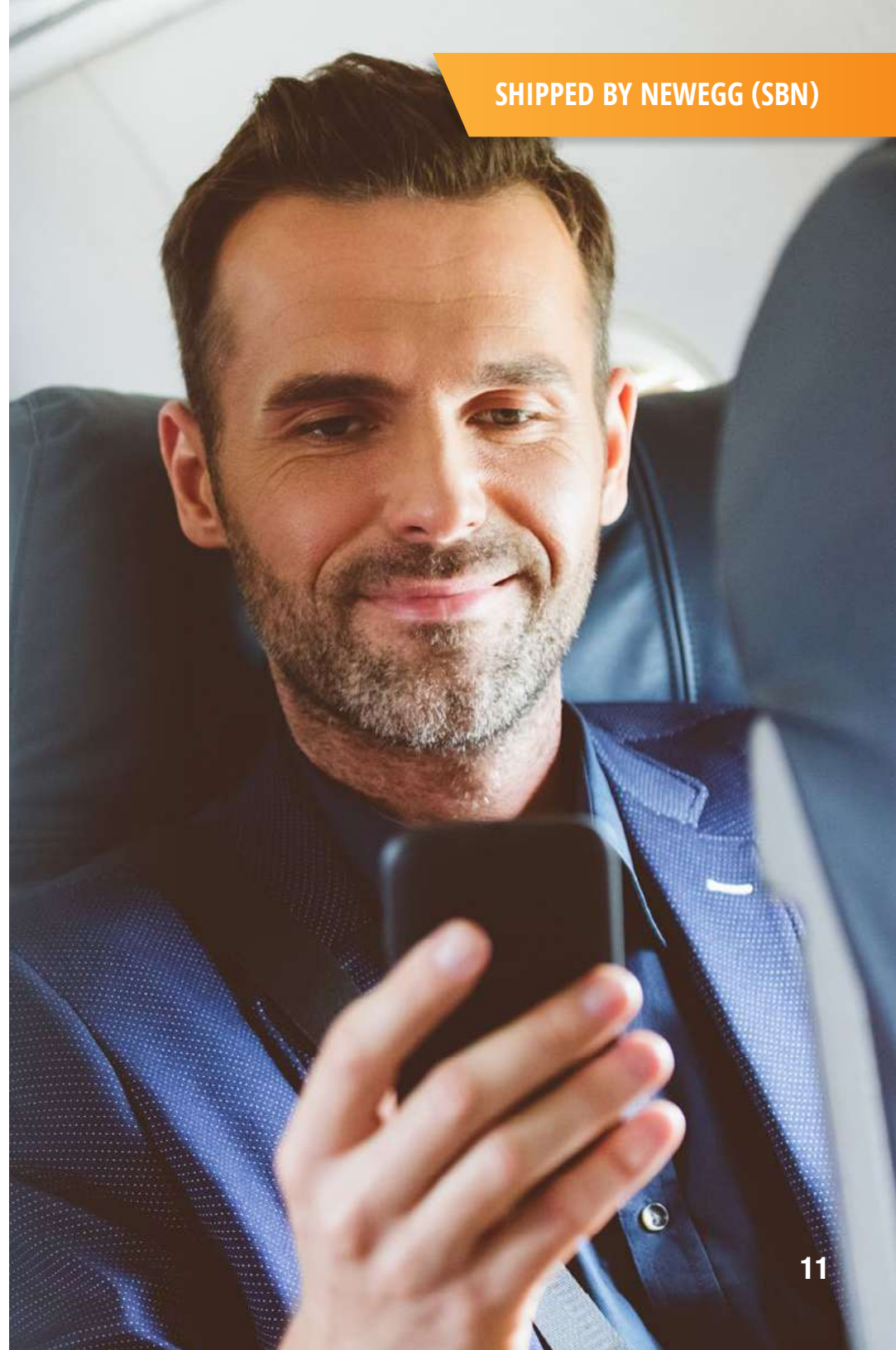
- Increased odds of buybox wins
- Free activation and cancellation for seasonal fulfillment needs
- Dependable customer service
- “Oversized” package is at least 1.5x larger than competition
- Newegg handles return requests and customer inquiries
- 10% average higher customer ratings

### ESTIMATED SAVINGS

- 18% savings on shipping
- 14% lower overall costs for handling
- 5% lower inbound rate
- 5% lower pick and pack fee

[newegg.com/sbn](https://newegg.com/sbn)

SHIPPED BY NEWEGG (SBN)







## THE KEY TO GARNERING REPEAT CUSTOMERS

Comprehensive return policies are becoming online customer's fastest growing demands.

Returns are one of the easiest, yet undervalued, ways to build customer trust and loyalty. A recent poll found that 72% of online consumers say that they would spend more and buy more often from merchants that make the return experience simple and pain-free<sup>4</sup>. As a great indicator of customer loyalty, this same poll also found that 89% of repeat customers with a positive return experience are likely to buy again. With consumers placing such high importance on returns services, it is important for sellers to address these needs, or run the risk of losing initial and repeat sales.

Because returns on electronic devices rank second only to clothing, it is safe to assume that many Newegg sellers need to have a well-established return policy in place<sup>5</sup>. This demand for exceptional customer service and hassle-free returns can catch many sellers by surprise, especially during the busy holiday season. We believe

a customer's return experience needs to be viewed just as essential to overall satisfaction as selling features like fast or free shipping. Because Newegg recognizes the importance of this 360 customer care, return services and customer support became foundational elements in the creation of SBN. However, for sellers that prefer to house their own inventory and handle shipments, but still want a professional return program, there is [Newegg Return Service](#). This service will handle your customer service issues, with the goal of preventing unnecessary returns. If the customer still chooses to return the product, Newegg will then receive and vet all returns. After a careful inspection, the customer service team will automatically issue customer refunds or replacements. Also, as business picks up and returns grow, Newegg will temporarily house your returned inventory until you determine how you would like it handled. This process includes services such

as any-time local returns to your warehouse for just \$.60–\$.70 cents per unit. Other services include disposal of the products or the option for physical pickup from one of the many Newegg Return Centers. Additionally, Newegg Return Service extends to sellers selling to more than 50 countries through Newegg Global. We've localized the process where Newegg will handle all customer returns and interactions on behalf of the seller, meaning sellers can focus on the selling, while Newegg handles the rest.

E-commerce consumer trends show that customers are rewarding sellers who deliver exceptional customer service with return business and loyalty. As e-commerce shoppers tastes and expectations grow, it is important to ensure that your business isn't leaving your customers wanting more — even after the product has arrived on their doorstep.

### SOURCES

4. [Shopify: 2018 Holiday Ecommerce Returns Guide](#)

5. [Statista: Shipping in Online Retail: Consumer Survey 2017 - e-Commerce & Retail](#)

**72%**

of online consumers say that they would spend more and buy more often from merchants that make the return experience simple and pain-free

**89%**

of repeat customers with a positive return experience are likely to buy again

## TAKEAWAYS

### WHO IS IT FOR?

Sellers who want a managed return service complete with customer service and vetting of RMAs

### BENEFITS

- Increase customer confidence and worry-free purchasing
- Dedicated Newegg customer service frees up your staffing
- Focus efforts on selling instead of customer returns
- Manage return and/or disposal of returned merchandise







## LESSEN 3PL'S DRAIN ON YOUR MARGIN

Incredibly convenient, self-printed shipping labels that save you big.

[Shipping Label Service](#) passes along Newegg's discounted partner rates onto its sellers. Once an order is placed, Newegg will provide the seller a print-ready shipping label. From there, sellers simply attach the label to the package and ship out.

Much like SBN, there are additional benefits made available to well-rated, [Premier](#) sellers who use Shipping Label Service. These perks can include a flat \$2.00 fee or completely free shipping on select sized packages on products over \$300.00. The goal of establishing such a benefit is to reward sellers of Newegg's most frequently shipped items and products. This allows sellers to save on shipping while giving them the flexibility to offer competitive pricing in categories where margin is often very thin. Though this benefit adheres to specific dimensions and products, there are many successful examples of sellers who utilize both SBN and Shipping Label Service depending on the product offering and seasonality.

## SHIPPING LABEL SERVICE

## TAKEAWAYS

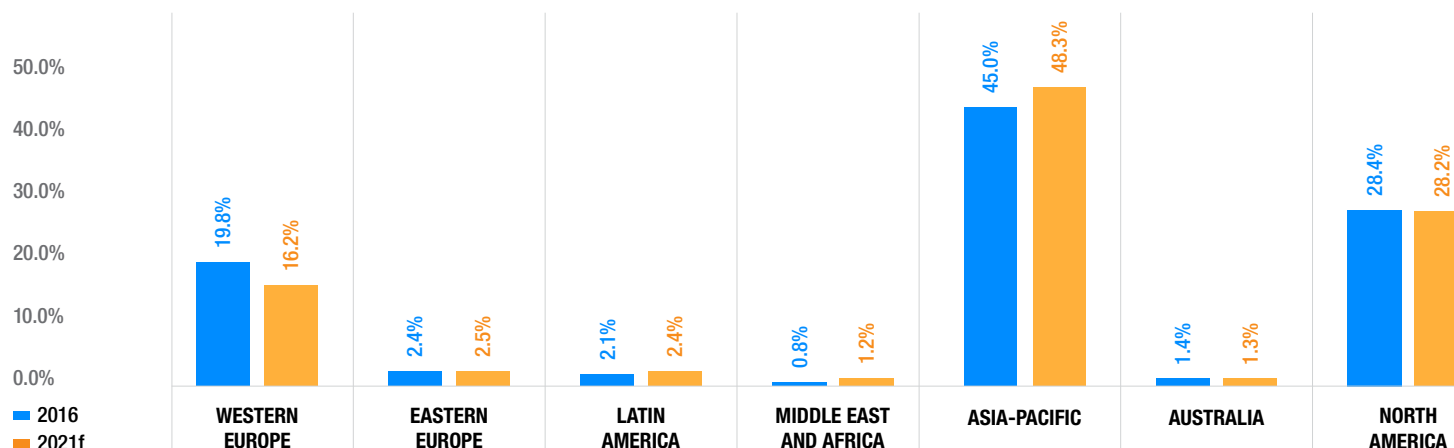
### WHO IS IT FOR?

Sellers who prefer to handle their own shipments and inventory themselves, this service provides them an alternative to costly 3rd party shipping services

### BENEFITS

- Leverage Newegg's deeply discounted rates
- Automatically deduct postage fees through your Seller Portal account
- Ship with premium and reputable carriers
- Conveniently arrange pick-up or drop off at the carrier's facility

## GLOBAL E-COMMERCE MARKET SHARE 2021 PROJECTION



## YOUR PASSPORT TO SELLING GLOBALLY

Convenient international shipping and management service that handles the trepidations of cross-border selling.

E-commerce global sales expansion is seeing the largest growth opportunities in areas outside of the U.S. It is projected that the U.S. percentage of online sales will remain largely stagnant for the next several years, while regions such as Asia-Pacific and the Middle East are forecasted to be growth leaders<sup>6</sup>. For sellers looking for opportunities to grow their business, expansion beyond borders is an obvious choice. Newegg is putting significant efforts towards lowering international barriers for sellers through the use of our fulfillment services.

### SOURCES

6. [North America B2C E-Commerce Market 2017](#), yStats.com

SBN makes it incredibly simple for Newegg to ship your products directly to over 50 countries. For sellers not utilizing SBN, but still want access to global markets, there is the [Newegg International Shipping Program \(NISP\)](#). Both of these options offer sellers a low-cost channel to sell and ship globally without the hurdles and complications notorious with international shipping. Once your product selection is made and the countries selected to sell into, you can begin selling internationally by simply activating NISP or SBN within Seller Portal. To fulfill these new orders, NISP users must ship

their products to our California based shipment centers from their US-based warehouse. From there, we handle the rest — including all fees, regulations, and customer service needs. Once in our fulfillment centers, there are no additional fees for the seller, and our international shipping team will manage the customs clearance process and arrange the details in getting the delivery to your customer. With SBN and NISP, Newegg makes doing business with international customers as easy as doing business locally.

# TAKEAWAYS

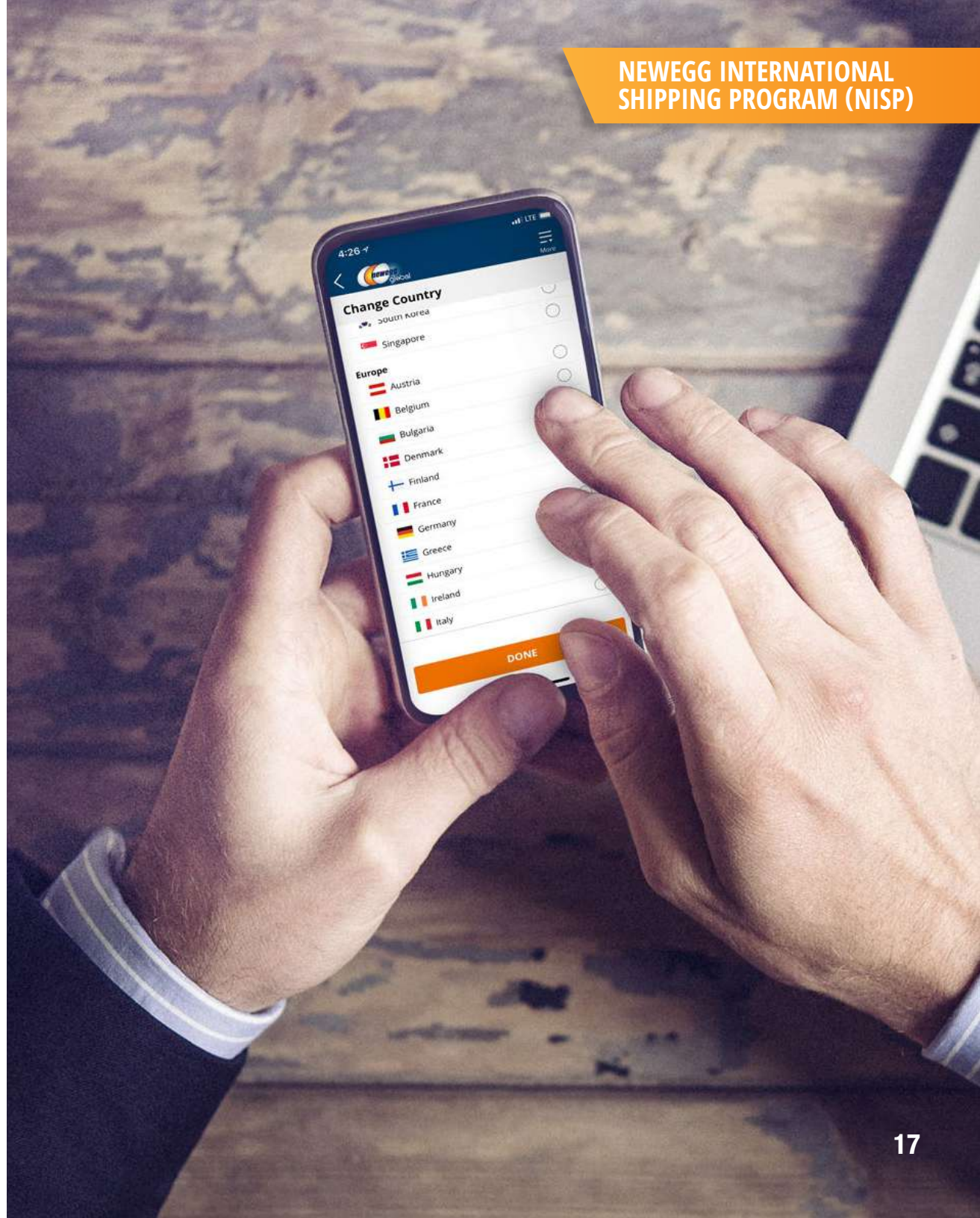
## WHO IS IT FOR?

Sellers who want a simple and efficient way to sell globally without the hurdles and headaches of international shipping

## BENEFITS

- No additional fees – just ship to Newegg's California warehouse
- Available for over 50 countries
- Dedicated NISP team manages customs clearance processes and arranges last mile delivery
- Transparent processes for your global expansion
- Concise tracking info viewable through Seller Portal

**NEWEGG INTERNATIONAL  
SHIPPING PROGRAM (NISP)**







## ANSWERS TO COMMON FULFILLMENT BURDENS

Get to know your account manager. They're just as dedicated to your success as you are.



## MORE COMPETITIVE TOOLS

### **Newegg does not penalize our merchants by tacking on additional storage or aging inventory fees.**

Part of understanding the needs of our sellers means also recognizing and learning from their experience with other fulfillment providers. A major concern of sellers is that their unsold products will wind up costing them a fortune in aging inventory fees. Firstly, Newegg account managers are dedicated to making sure that your items are never left underserved and that all avenues of promotion and marketing support are made to help your products fly off the shelves. However, for those times that promotions don't move the needle enough, sellers can rest assured that Newegg does not penalize our merchants by tacking on additional storage fees. As addressed earlier, there are many cost-effective options available between returning or disposing of products that sellers the world over can utilize through Newegg at any time.



## GIVING SELLERS CONTROL

All businesses are unique. Sellers are free to join and opt out of services as their business necessitates it.



MORE COMPETITIVE TOOLS

Because we value sellers maintaining control over their inventory, there should never be a worry of your products commingling with other sellers' SKUs. Sometimes there are unforeseen needs for sellers to recoup their inventory at a moments notice. If and when the request comes for a return of products, Newegg has the ability and network to recall items from any of our national warehouses and get them back into the seller's hands at minimal expense.

Seasonal ebbs and flows of demand can be the greatest issue facing sellers. For sellers who like to gear up and plan for their busiest season, but prefer not to invest in additional staffing or warehousing, Newegg allows sellers to take advantage of fulfillment services based upon their seasonal needs. Recognizing this frequent pain-point for many fulfillment service users, merchants can initiate and revisit any of our fulfillment services without fear of fees or start-up costs.





## IN AN EGGSHELL

Our goal from the start has been in developing the seller tools that drive success, growth, and competition within our Marketplace.

**Newegg created fulfillment solutions as a way to help our sellers save on shipping – but there is more to these services than just saving money.**

Newegg is not about treating our merchants as algorithms. Our management teams strengthen accounts by providing sellers the tools to grow their business. By tying in the impact of fulfillment services with our marketing tools, we are allowing sellers to create an identity and to establish a well-designed storefront where customers are excited to buy and can trust that their products will arrive timely and efficiently. The proof that customers value these trusted services is evident when considering that the average SBN and Shipping Label Service seller has a 10% higher customer rating than sellers who ship on their own. This is what it means to be a Newegg seller in an eggshell – to be part of a platform where it's not just about having the lowest price – and to sell to a world of customers who value dependable products, services, and strong brand identities.

MORE COMPETITIVE TOOLS





## FULFILLMENT OVERVIEW

	MANAGED BY:	DISCOUNTED SHIPPING RATES	NEWEGG MANAGED CUSTOMER SERVICE	NEWEGG MANAGED CUSTOMER RETURNS	INTERNATIONAL FULFILLMENT
<a href="#">Shipped by Newegg (SBN)</a>	NEWEGG	✓	✓	✓	✓
<a href="#">Newegg Return Service</a>	NEWEGG	✓*	N/A	✓	✓
<a href="#">Shipping Label Service</a>	SELLER	✓	N/A	N/A	N/A
<a href="#">Newegg International Shipping Program (NISP)</a>	NEWEGG	✓	N/A	✓	✓

\* Applies only to transactions between seller and Newegg Marketplace



## Not Selling on Newegg?

Fill out this quick [form](#) to get started.

Learn more: [newegg.com/sellers](https://newegg.com/sellers)

Contact us: [marketplacemarketing@newegg.com](mailto:marketplacemarketing@newegg.com)

