BUILDING YOUR ECOMMERCE BUSINESS:

When Is It Time To Expand To Canada?

Purolator International

Introduction

Management at one Wisconsin-based outdoor apparel manufacturer knew the time was right to expand eCommerce operations to Canada when inquiries from would-be Canadian consumers regularly flooded its customer service center. The manufacturer went to work to develop a strategy for accepting – and fulfilling – eCommerce orders from Canadian customers, and today Canada is an important part of its customer base.

This manufacturer joined the growing number of U.S. businesses that have expanded their eCommerce reach to the Canadian market. And with good reason. Research by transaction processor Payvision found 60 percent of Canadian shoppers have made purchases from U.S. websites, while eMarketer predicts Canadian eCommerce spending to grow at a double-digit pace, reaching C$43.95 billion (US$32.7 billion) by 2018. It's easy to see then why many U.S. businesses have set their sights on expanding to Canada.

Despite the allure of accessing Canada's 36 million potential customers, there's a lot more involved in a Canadian eCommerce presence than simply resetting a company's website to start accepting orders from Canada. In fact, the road to Canada is lined with U.S. businesses that failed to do their due diligence before reaching out to the Canadian market. The U.S. Commercial Service cites failure to conduct market research; explore sales channels; understand provincial regulations, certification standards, labeling and packaging requirements; and "educate themselves on unique industry matters" among the reasons U.S. businesses struggle in the Canadian market.

For an eCommerce business, inventory and fulfillment issues, transportation, returns, and, of course, customer expectations are added concerns. A major issue, for example, is finding a way to make deliveries to Canadians who live in that country's more remote areas. While 70 percent of the Canadian population lives in urban regions, and 80 percent are located within 100 miles of the U.S. border, an eCommerce provider must have access throughout the entire country.

U.S. retailer J. Crew learned the hard way about the importance of solid planning when it launched its Canadian website only to face a strong backlash from consumers over pricing issues. Smart customers were quick to notice the dramatic price discrepancies between identical items offered on both the U.S. and Canadian websites but at a sharply higher cost to Canadian customers. In some cases, once shipping and customs costs were factored in, Canadians were charged almost 50 percent more. Identical merchandise, but at higher prices.

The retailer eventually apologized to its Canadian customers and stopped charging duty costs. But the example is a good illustration of the consequences of failing to thoroughly assess the implications of selling to the Canadian market.

Businesses that have already built successful eCommerce operations will have a strong foundation from which to expand to Canada. But careful consideration must be given to the nuances of the Canadian market, including the fact that distribution and logistics practices that may work well in the U.S. are not transferrable to other markets. This is why many businesses turn to an experienced logistics provider with strong experience in the Canadian market. A truly qualified logistics provider will have the insight and knowledge of the Canadian market needed to ensure a seamless and successful expansion. As the following discussion will make clear, many U.S. businesses consider their logistics provider among their most important resources.

Canada – A Logical Choice for Expansion But a Uniquely Canadian Market

According to the U.S. Commerce Department, fewer than 1 percent of U.S. companies export, and of those that do, most look to Canada as a starting point. This makes sense given our shared border, language, and enduring alliance.

But beyond these obvious similarities are some very "uniquely Canadian" characteristics, an understanding of which is critical to success in that market.

- **Canada is officially bilingual,** with 22 percent of Canadians listing French as their "mother tongue." The province of Quebec considers French its sole official language and imposes strict requirements for use of French on signs, packaging, and advertising materials.
- **Canada has its own currency.** The Canadian dollar, often referred to as the "loonie," is the official currency of Canada.
- **More people live in California than in the entire country of Canada.** The population of California is roughly 39 million people. The population of Canada is just over 36 million people.
- **Canada is the second-largest country by area in the world.** China is the first, the United States is the third. This is especially significant for eCommerce retailers, since it means that shipments will need to be delivered to fewer people, spread throughout greater distances.
- **Most Canadians live within 100 miles of the U.S. border.** 80 percent live in close proximity to the border, while 70 percent live in urban areas.
- **Urban Canadians no longer get home mail delivery.** In 2013, Canada's national postal service, Canada Post, announced it was discontinuing home delivery to more than five million Canadian households and moving them to "community mailboxes." With this action, Canada became the only nation in the G-20 without home mail service.
- **Canada's unique tax requirements.** Any retailer selling goods to Canadian consumers must be in full compliance with Canada's sales tax requirements. Virtually all goods are subject to a 5 percent federal Goods and Services Tax (GST). In addition, some provinces impose a Provincial Sales Tax (PST), which must be paid directly to the province. Other provinces combine the GST and PST into a Harmonized Sales Tax (HST), which is collected at the border by Canada Border Services Agency.
- **Very strict email/text requirements.** Canada's "anti-spam" law went into effect in 2014, which imposes severe restrictions on the use of commercial electronic messages including email and text messages. The law requires businesses to ensure recipients have consented, either expressly or implicitly, to receiving those messages. In addition, consumers must have an easy way to opt out and unsubscribe from receiving additional messages.
- **Heightened awareness of price discrepancies.** Prices are generally higher in Canada than in the United States, and Canadians are keenly aware of this. It is an ongoing situation that reached a boiling point a few years ago, with strong accusations against some U.S. retailers of

"price gouging." Canada's then-Finance Minister Jim Flaherty conducted a series of hearings, and it was determined that higher prices were due to realities including:

- Difficulty in transporting goods into Canada
- Smaller size of Canadian market
- Costs of distribution agreements
- Duties, tariffs, and customs fees

A U.S. business expanding to Canada must take the time to understand these and other characteristics of that market. The U.S. Commercial Service publishes a "Canada Country Commercial Guide" that provides essential background information a business can use as the basis of its strategic plan.

The Canadian eCommerce Market

Of special importance to U.S. eCommerce retailers though is an understanding of that country's online market. How strong is the demand for eCommerce options, and why is it that 60 percent of Canadians have made purchases from U.S. websites?

The simple answer is that demand is quite strong for eCommerce options, but until recently, Canadian retailers have not kept pace with that demand. A few statistics:

- Analysis by Forrester Research predicts Canadian online spending to grow at a rate of 12.3 percent annually through 2019, when it will reach C$40 billion. Online sales will grow at a pace almost five times higher than traditional brick-and-mortar stores.
- Forrester's analysis also predicts online spending will represent 9.5 percent of total retail transactions in Canada by 2019. By comparison, separate research from Forrester, as reported in InternetRetailer, estimates that U.S. eCommerce sales will account for 10.3 percent of total retail transactions by 2018.
- According to Statistics Canada, as of 2013 – the last year in which the government conducted a study – only 13 percent of Canadian businesses were selling online. This finding is affirmed by 2015 research by web hosting company Go Daddy, which found almost 60 percent of Canadian small businesses – the majority of business in Canada – do not maintain websites. And 33 percent have no plans to build a website in the near future.
- Canadian consumers are not satisfied with online choices offered by Canada-based retailers. Research by Forrester found strong concerns about shipping costs, product selection, pricing, and a lack of omni-channel options. "Furthermore," the study noted, "Canadian online shoppers are acutely aware of the gap between the online experiences of domestic sites versus those in the United States. Canadian sites are missing key online capabilities like free shipping, flexible pickup options, a stress-free return policy, and omni-channel payment options in addition to the obvious price discrepancies."

It's understandable then for Canadian consumers to look beyond Canada's borders for eCommerce options since domestic retailers have largely been unable to satisfy demand. In fact, a report from BMO Nesbitt Burns, as reported by Yahoo Canada, found that of the 20 top eCommerce sites in Canada, only one is based in Canada – "an electronics site called Canada Computers – which is in the 19th spot."

What are the top eCommerce spots? According to the BMO Nesbitt Burns report, Amazon, eBay, and Apple account for nearly one-third of all sales, while the top 10 – all U.S. companies – account for more than half of total sales.

Important to note though several major Canadian retailers have launched successful eCommerce sites in recent years, and the retail community at large is determined to recapture Canadian consumer spending lost to the United States. "The hordes are breaking down the castle walls – with all the competition that's coming into the country," Doug Stephens, Canadian futurist, told Canadian Business. "It's putting pressure on Canadian retailers to begin to innovate and to offer customers more options."

The Canadian eCommerce Consumer

The profile of the Canadian shopper closely resembles that of the U.S. consumer – English-speaking, tech savvy, and familiar with many U.S. brands. It's important though to delve deeper and truly gain an understanding of Canadian consumer expectations.

"Retailers must create an online shopping experience that is tailored to the Canadian consumer," Michael DeSimone, CEO of BorderFree, told RetalTouchpoints. "At a basic level, this means prices should be shown in Canadian dollars, only products that are shippable to the country should be displayed, and accurate duties/taxes and shipping charges are an absolute must."

And so is an understanding of Canadian consumers' online shopping preferences. Research by comScore found very definitive likes/dislikes that affect behavior. When asked what a retailer should offer in order to garner a positive "word-of-mouth" referral from them, shoppers very much favored sites that offered a hassle-free, cost-efficient experience:

• Free shipping	65 percent
• Receiving product when expected	53 percent
• Easy returns and exchanges	36 percent
• Free returns	35 percent
• Tracking services	34 percent

Canadian consumers also have strong thoughts about what they dislike about online retail experiences:

• Shipping costs too high based on product price	69 percent
• Shipping costs too high based on expected delivery date	54 percent
• Products arrived damaged	50 percent
• Delivery took longer than promised	50 percent
• Could not get a refund, only credit	49 percent

While Canadian consumers have not embraced the expectations for next-day or same-day delivery that are permeating among U.S. consumers, they clearly have strong expectations for their online experiences. Shipments must arrive on-time, as promised, at little-to-no cost to the consumer. And similar to circumstances in the U.S., Canadian consumers are very much in the driver's seat when it comes to demand for high levels of customer service and visibility. A U.S. retailer cannot underestimate the importance of meeting these expectations or the challenges of serving customers when an international boundary is involved.

The Logistics of Canadian eCommerce

U.S. businesses operating in Canada learn quickly that a logistics plan that works well in the U.S. cannot simply be transferred to Canada. Too many U.S. companies have found this out the hard way. Companies assume the logistics provider or transportation company that serves them well in the United States will perform at a similar high level in the Canadian market, only to learn the hard way that this is not the case.

For one thing, most U.S. carriers have minimal direct expertise in the Canadian market. Few have access to a Canadian distribution network or a good understanding of the nuances of that market. Many carriers will bring goods as far as the border and then hand off the shipment to a Canadian provider, thereby losing control and increasing the risk of a late – or damaged – delivery.

This means a business will need to carefully develop a logistics strategy specifically for Canada. That strategy will need to address all obvious components – fulfillment, inventory, transportation, returns – and must also address the complicated customs process and compliance with Canada's diverse labeling/marketing requirements, tax code, and security mandates, as well as requirements mandated by each province or territory.

Inventory Can Often be Sourced in The U.S.

A common perception is that expanding to Canada will mean a second inventory and a separate eCommerce warehouse dedicated to Canadian fulfillment. In fact, businesses have been pleasantly surprised to learn that it's possible to fulfill orders from existing assets in the United States. The key though is to develop a logistics strategy that will ensure delivery into Canada within a specific window of time. And the key to that is making sure your logistics provider is up to the task.

One San Diego-based sports equipment manufacturer learned this the hard way. The manufacturer successfully expanded its customer base to Canada but couldn't understand why shipments were consistently arriving two to three days late. Canadian customers were dissatisfied, and the manufacturer's transportation provider seemed uninterested in addressing the problem. As it turned out, shipments were being picked up in San Diego and transported to a processing center – in Arizona – where they sat idle for extended periods of time. Then, once en route, shipments were forced to endure multiple stops. Once in Canada, the shipments were sent to yet another distribution center until finally being loaded for end-customer delivery.

The sporting goods manufacturer called for help from a second logistics provider, this time one with deep experience in the Canadian market. The manufacturer was shocked when the second logistics provider was able to offer guaranteed direct service, which enabled shipments to arrive in Canada a full two days faster than the previous carrier.

As this manufacturer learned, any business seeking to source Canada-bound inventory from a U.S. distribution center needs to rely on guaranteed, date-certain delivery to Canada.

Another consideration is the induction point at which goods enter Canada. Canada is a big country, so if a shipment clears customs in Ontario but needs to be transported to Vancouver, the transit can add four to five days to the schedule. Instead, innovative logistics providers can route shipments so they clear customs in a location closer to the end destination. In the case of the San Diego sporting goods manufacturer, for example, the logistics provider routed shipments headed for western Canada through its Vancouver-based processing center and eastern Canada-bound shipments through its Ontario processing center.

Canadian Warehouse Strategy

Even with an accelerated transit time to the Canadian market, U.S. eCommerce retailers must still contend with consumer expectations for guaranteed delivery. This has resulted in many retailers relying on a Canadian warehouse network as a way to ensure inventory is always within a short distance of customers.

But this increased demand has put a strain on Canada's warehouse supply. According to PwC's annual forecast of Canadian real estate trends, "Emerging Trends in Real Estate 2016 – Canada," investment in warehouses and fulfillment centers tops the list of smart real estate investment decisions.

The demand for warehouse and fulfillment space, the report notes, is driven by a combination of strong demand for Canadian exports (fueled by Canada's weak dollar) along with the rise of eCommerce.

Businesses in need of Canadian storage do have options. A retailer can rely on "multi-tenant" warehouses, which are facilities shared by multiple businesses. The multi-tenant warehouse is generally a full-service facility, and a business only pays for the space and services it utilizes. The concept is increasingly popular across Canada as retailers seek to locate inventory near their customers.

Another option is to rely on a logistics provider's established network of Canadian warehouses. This is actually an ideal solution since the logistics provider would already have control, and presumably visibility, into inventory availability and demand. The logistics provider could easily transport inventory between its warehouses as demand ebbs and flows.

Fast, Guaranteed Transit Times are Essential

eCommerce shipments to Canada actually involve two transportation legs:

- U.S. to Canada
- Intra-Canada distribution and final-mile delivery

Unfortunately, many U.S. businesses have experienced service levels that seem to indicate that you can have a good experience with one of these options but not both.

But it doesn't have to be this way.

While it is true that transportation and logistics services between the United States and Canada were at one point surprisingly limited, the onset of technology and innovative thinking have dramatically improved service. Long gone are the days when a service provider could offer a customer a single service option along with a "take-it-or-leave-it" attitude.

Innovative logistics providers can now offer customized solutions to meet a business's precise needs. This is especially important for eCommerce retailers, which tend to ship a multitude of smaller packages, each containing a small number of items.

At least one experienced provider offers eCommerce retailers a ground solution that will deliver shipments to the Canadian market faster than other logistics providers' air solutions. This particular ground option offers a courier-like level of service that transports goods directly into Canada with minimal disruptions. Further, this solution takes advantage of Canada Border Services Agency's (CBSA) Courier Low Value Shipment program, which streamlines the clearance process for shipments valued at less than C$2,500.

Once in Canada, shipments will ideally remain under the control of the same logistics provider. However, since most providers do not have this capability, this is the point at which many U.S. businesses realize their U.S. logistics provider is not their best option for the Canadian market. Key considerations include the following:

- **Regional Transportation Providers.** Many U.S. freight companies will enlist a third-party Canadian company to handle the intra-Canada portion of the transit route. However, in Canada, most freight companies are regional, meaning that multiple companies would be required to ensure coverage throughout the country. Such a patchwork approach generally means a loss of visibility into the overall distribution process, different levels of service, and a general loss of accountability between the different providers.
- **Route Optimization.** Since transit time is a vital part of any eCommerce logistics plan, a U.S. retailer must have confidence that its logistics provider is taking advantage of technology-based enhancements, especially route optimization. Route optimization software will ensure that shipments travel via the fastest and most direct route possible, and it will minimize – hopefully eliminate – dead miles and unneeded distribution center stopovers.
- **Final Mile.** Yet another interesting fact about Canada is that most freight companies cannot deliver to the country's more remote regions. This means that vitally important final-mile services must be outsourced – yet again – to a local carrier. Under this scenario, a U.S. retailer's eCommerce package will have switched hands three times before finally reaching its end destination. There is a better way! Canada Post, that country's national post office,

naturally has access to every residential, business, and PO Box address across Canada, and it has partnered with one logistics company to provide final delivery for its eCommerce packages.

The bottom line then is for eCommerce retailers to be aware that not all logistics companies and transportation providers have the same capabilities. Don't be fooled by a high-profile company and its fancy advertising campaigns that profess to have experience in the Canadian market. A business must spend the time to research various providers, ask a lot of questions, and be certain that the logistics provider it chooses is truly capable of offering the ideal solution.

Don't Forget About Returns!

Most businesses planning to enter the Canadian market tend to focus their time on marketing, generating sales, and ensuring on-time deliveries to their new customers north of the border. Often overlooked is the need to factor in the inevitable flow of product returns, a critical part of the customer experience.

Customer returns have become so important that for many customers an inefficient or unfriendly returns policy can be the single determining factor in whether or not to shop again with a retailer. A survey of online shoppers conducted by ComScore found 85 percent said they would not buy again from a retailer if the returns process was not convenient. And research by the NPD Group Inc. found 89 percent of Canadian online shoppers expect free shipping for returns.

The National Retail Federation estimates that merchandise returns during 2015 accounted for 8 percent of total sales, or about $260 billion. For eCommerce retailers a high returns rate is essentially an integral part of doing business. This is because many consumers make online purchases without fully understanding what they are buying, or they order multiple versions of the same product with the intention of only keeping the product they most prefer.

Central to a Canadian-based efficient returns process is a well-crafted reverse supply chain that meets a business's specific objectives.

- **Consolidation.** Establish a process that consolidates returns to a centralized location for processing. This is especially important for returns from Canadian consumers that need to cross the border. By consolidating smaller shipments, returns can clear the border as a single larger unit, thereby minimizing customs review time and helping control transportation costs.
- **eReturns.** Customers have high expectations for their returns experience – most expect to return an item at little-to-no cost to them and to have their "reason for return" rectified in within a short period of time. Customers also expect the process to be as simple as possible.
- **Returns Material Authorization (RMA).** By requiring a consumer to obtain prior authorization before returning a product, a business is able to track returns volume and detect any widespread complaints or defects about a certain product. A business is able to control exactly which products are being returned and to designate precisely where they should be sent.
- **Flexibility.** Not every business will need to have returns picked up every day or maybe not even every week. And not every business's returns will follow the same logistics plan – some will be returned to inventory, some will be shipped to a returns processing center, some to a repair facility, and so on.

Since products returning from Canada will require clearance through U.S. customs, it is essential for a reverse logistics strategy to take this into account. A business must have confidence that its logistics partner has the expertise to manage its reverse logistics process and can meet its customers' expectations for convenience and for a fast resolution.

The Customs Clearing Process

Expanding a business to Canada will also require compliance with all U.S. and Canadian import/export mandates, security protocols, and payment of all duties and taxes. In addition, a business should be aware of multiple programs designed to facilitate the compliance process, targeted specifically at U.S. businesses and eCommerce shipments.

Both the U.S. and Canada have automated their documentation filing processes, and each requires that all paperwork be submitted prior to a shipment's arrival at the border. Shipments to Canada are managed via CBSA's eManifest system, and goods entering and leaving the United States must be filed with CBP's Automated Commercial Environment (ACE).

While most businesses entrust the compliance process to their logistics provider, it's important to have an understanding of the process since the shipper is ultimately responsible for all documentation filed on its behalf. Important to note is that incomplete or missing documentation is the top reason for shipments to be delayed at the border.

Duties And Fees

Critically important to doing business in Canada is understanding the country's unique sales tax code. In Canada, sales taxes are collected at the federal and provincial levels of government. Please note that sales taxes are different from import duties.

- A federal Goods and Services Tax (GST) of 5 percent of value is assessed on just about all goods entering the country.
- Provincial Sales Taxes are levied at the province level and collected locally.
- The provinces of Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, and Ontario have opted to "harmonize" their Provincial Sales Tax with the general sales tax. This combined rate is called the "Harmonized Tax" and represents the sum of the 5 percent federal GST plus the appropriate Provincial Tax. CBSA collects the Harmonized Tax on behalf of the province, and payment is due upon a shipment's arrival at the border.

Facilitating The Compliance Process For eCommerce Shipments

As complicated as the customs clearance process is, the U.S. and Canadian governments have taken steps to facilitate the process, and certain programs are available that offer expedited clearance for qualified shipments.

- **CBSA's Low Value Shipment Program (CLVS):** This program is intended to simplify the importation process for shipments valued at C$2,500 or less. To participate, the carrier transporting the shipment must be a registered CLVS participant and the goods must not be prohibited, regulated, or controlled. A shipment eligible for the CLVS program will benefit from expedited clearance upon arrival at the border and minimal risk of additional inspection.

- **Non-Resident Importer (NRI) Program:** The Non-Resident Importer program is administered by CBSA as a way to encourage U.S. businesses to expand to Canada. As a registered NRI, a U.S. business is able to collect Canadian taxes at time of sale and to act as "importer of record" in clearing goods into Canada. Without NRI status, a business would have to present customers with an unexpected invoice at time of delivery and possibly require them to become involved in the clearance process. Having NRI status essentially levels the playing field for U.S. businesses so that transactions are virtually the same as interacting with a Canadian company.
- **Delivery Duty Paid Incoterm:** Every shipper and logistics provider must agree on specific shipping terms as outlined by an internationally recognized list of terms – called Incoterms – maintained by the International Chamber of Commerce. eCommerce shippers would benefit from choosing the "Delivery Duty Paid – DDP" Incoterm. This way, the seller assumes all responsibility for the border clearance process, which allows retailers to assess all related charges at time of purchase. Alternatively, a consumer would have responsibility for these charges, which would result in an unexpected invoice at time of delivery.
- **Consolidation:** This is a process whereby smaller shipments are combined into one larger shipment for the purpose of reducing shipping costs. Consolidation has an added benefit of facilitating the border clearance process.

When a consolidated shipment arrives at the border, it is considered a single unit, eliminating the need for individual evaluations. Consolidated shipments generally clear customs much faster and with reduced fees.

Leveraging Your Existing eCommerce Infrastructure

A U.S. business with an existing eCommerce platform has an obvious advantage in planning an expansion to Canada since the "bones" for an international business already exist. A successful eTailer already has the fundamentals taken care of – a functioning website, payment processes, inventory, fulfillment, warehousing, distribution and transportation, and, presumably, a strong logistics partner to oversee and manage the entire process.

But it's important to understand what will be necessary to customize a selling platform for the Canadian market.

Modifications to meet Canadian expectations.
A business will need to review its eCommerce platform and align product listings and descriptions with Canadian preferences. Subtle language differences and spellings will need to be addressed. The U.S. "center," for example, is Canada's "centre," and a U.S. "favor" becomes a Canadian "favour." Slight distinctions maybe but glaring mistakes for a U.S. business seeking to cultivate Canadian consumers.

On a larger scale, don't forget that Canada is officially a bilingual country, with 22 percent of the population listing French as their preferred – in some cases sole – language. Consider including a multilanguage toggle so that consumers can easily select their preferred language.

Product listings. Similarly, be sure to evaluate inventory offerings on your Canadian site. U.S. retailer J. Crew was subjected to harsh criticism from Canadian consumers when its Canadian website did not include the extensive product offerings listed on its U.S. website. In addition, many Canadian consumers were dismayed to find large displays of 4th of July merchandise at their local Target stores. A degree of consumer research will help a retailer understand the types of products that will appeal to Canadian consumers, and those that won't.

Payment capability. Be sure your Canadian site lists all prices in Canadian dollars and that payment is possible in the local currency as well.

All-inclusive price. When it comes to unexpected shipping charges and brokerage fees, Canadians hate surprises. Many U.S. retailers have had eCommerce shipments refused by the intended Canadian recipient when the shipment arrived along with an unexpected invoice. You must provide an up-front price at time of purchase. But to do this, two things must be in order:

- **Non-Resident Importer.** As discussed previously, unless a U.S. business is registered as a non-resident importer, it is prohibited from collecting Canadian taxes. But with NRI status, taxes can be collected at time of purchase.
- **Delivery Duty Paid Incoterm.** A business and its logistics company must agree on terms of shipping that give the seller responsibility for the border clearance process. This allows the retailer to include all brokerage and import fees in the price quoted at time of sale.

Don't forget about Canadian holidays and traditions!
Canada Day is July 1, Victoria Day falls in May, and Canadian Thanksgiving is always the second Monday in October. By recognizing these and other important dates, a U.S. business can promote its brand while appealing to Canadians' strong sense of patriotism.

Conclusion

Fewer than one percent of all U.S. businesses export despite the fact that 95 percent of the world's consumers live beyond our borders. As reported by United Nations research, more than 3.2 billion people are currently connected to the Internet, which means U.S. businesses have tremendous opportunity for eCommerce expansion.

Most businesses entering the world of international commerce are content to start slow. Generally, this means expanding north to Canada where eCommerce is expected to grow at a double-digit pace through 2018 and where 60 percent of online shoppers have made purchases from U.S. eTailers.

But as lucrative as international eCommerce can be, it's essential for a business to tread carefully. As we have seen in this report, many U.S. businesses made incorrect assumptions about the Canadian market only to face the wrath of Canadian consumers and fall short on promises. Some businesses were able to learn from these mistakes and become successful in Canada, while others were forced to withdraw from the market.

It's important to "think locally," and enter the market with a comprehensive plan for building your customer base, and for meeting customers' high expectations for quality products, on-time deliveries and excellent customer service.

Entering the Canadian market can be a significant milestone for a U.S. business. And with the right plan and the right logistics partner, the timing has never been better for a smooth, successful experience.

Purolator. We deliver Canada.

Purolator is the best-kept secret among leading U.S. companies who need reliable, efficient, and cost-effective shipping to Canada. We deliver unsurpassed Canadian expertise because of our Canadian roots, U.S. reach, and exclusive focus on cross-border shipping.

Every day, Purolator delivers more than 1,000,000 packages. With the largest dedicated air fleet and ground network, including hybrid vehicles, and more guaranteed delivery points in Canada than anyone else, we are part of the fifth-largest postal organization in the world.

But size alone doesn't make Purolator different. We also understand that the needs of no two customers are the same. We can design the right mix of proprietary services that will make your shipments to Canada hassle-free at every point in the supply chain.

For more information:

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