asendia

Beyond Borders

Cross-border
e-commerce opportunities
in a fast-changing world

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THE WORLD IS
YOUR ADDRESS

Introduction

A decade ago, cross-border e-commerce emerged as a pivotal avenue for retailers seeking growth beyond domestic confines. However today, two dominant themes are shaping business headlines and impacting e-commerce ambitions: tariffs, and supply chain uncertainty.

Given recent trade policy shifts in the United States, and retaliatory measures being taken by many countries, including Canada, China, and the EU, volatility will be ongoing. Many fashion, beauty, electronics and homewares brands face immediate existential risks due to global trade chaos impacting their sourcing models. Retailers aiming for cross-border e-commerce sales growth may need to scale back in some regions, adjust pricing strategies, or risk losing customers unwilling to pay tariffs on delivery. In this climate of sustained disruption, agile, short-term strategies will be essential for survival.

Our study was conducted in March 2025, soon after President Trump's reversal of the duty-free de minimis shipping exemption, which he later paused. Businesses were braced for further tariff announcements, so our survey provides a timely temperature check of attitudes.

Of the 1,000 retailers who took part - from the U.S., Asia-Pacific (APAC), the European Union (EU), and the UK - we found that four-in-ten had already been negatively impacted by tariffs in relation to their cross-border strategy. This rises to over half of electrical retailers (51%), and fashion retailers (52%), and 55% of home and DIY retailers.

Our survey reveals a striking optimism: a resounding three quarters (72%) of respondents are confident about expanding their international e-commerce sales in the coming year, despite the threat of tariffs in some regions.

The journey across borders has never been without its hurdles. Retailers pinpointed shipping costs and customs delays as the most significant challenges in their international operations.

These logistical concerns often result in longer delivery times, potentially compromising customer satisfaction and hindering repeat business. Moreover, six in ten retailers expressed apprehension that political and economic instability could impede their cross-border endeavours, underscoring the intricate web of factors influencing global trade dynamics.

Our research confirms that the allure of new markets remains strong. Western Europe, Eastern Europe and East Asia have emerged as prime targets for expansion, offering lucrative opportunities for those willing to navigate the complexities of international commerce. To enhance competitiveness, retailers are proactively addressing common pain points. Innovative solutions are being implemented to streamline the returns process, a notorious friction point in cross-border transactions.

In spite of shifting political ambitions regarding Net Zero, the drive to operate sustainability is strongly evident in our survey findings, with 41% of businesses feeling pressure to reduce emissions. Retailers are responding by consolidating shipments (33%) and partnering with green-certified logistics providers (29%) to lower their carbon footprint.

In this whitepaper, we delve into the strategies retailers are employing to overcome obstacles, and the technologies and trends retail professionals believe are shaping the future of cross-border e-commerce.

Join us as we journey 'Beyond Borders' to explore the resilience and adaptability of retailers in an age of trade tensions.

Unlocking global e-commerce growth

Confidence despite extreme challenges.

Retailers are proving that attracting shoppers across borders—both in neighbouring countries and further afield—is not only possible, but actively achievable in today's competitive, volatile landscape.

Almost three-quarters (72%) of respondents expressed confidence in growing their cross-border sales over the next year. Despite high U.S. tariffs being introduced, retailers in China were most optimistic, with 94% believing in their ability to expand internationally. This reflects the inbuilt business confidence of Chinese online merchants, who are focused on tapping into a broad network of global markets, rather than relying solely on the increasingly protectionist U.S. economy.

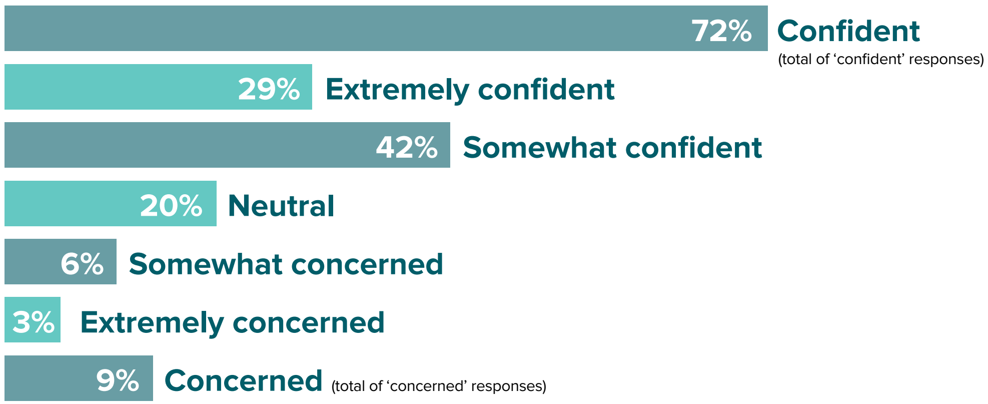
Trade barriers and tariffs are proving a challenge for many. Overall, 44% of businesses reported negative impacts from tariffs, with the effect being most pronounced in Spain (49%) and South Korea (64%). In the U.S., 42% of respondents cited tariff concerns, whereas only 30% of Chinese retailers reported a negative impact.

Which sectors are most concerned about tariffs

Certain sectors have been hit harder than others. In the fashion industry, half of businesses (52%) reported negative effects from tariffs, while the figure rose to 55% in the homewares and DIY sectors. Electrical goods were also affected, with 51% of retailers facing tariff-related challenges.

Respondents from the department stores sector were least concerned about tariffs, with just 39% saying it was having a negative impact. In the health and beauty sector 41% felt this way.

How confident, if at all, are you about your company's ability to successfully grow in cross-border markets in 2025?



Total sample of 1,000 retailers
All figures are rounded up to the next whole number

Biggest barriers to cross-border expansion in 2025

While opportunities for cross-border growth are evident, global e-commerce leaders continue to grapple with significant challenges.

Shipping costs (41%) and customs regulations/tariffs (40%) emerged as the top barriers to international expansion. Managing logistics and fulfilment complexity was the third most cited concern, affecting 27% of e-commerce businesses. Not surprisingly, 'geopolitical uncertainty and trade wars' was seen as a barrier by a quarter (24%) of respondents, rising to 32% for Europeans.

Regional challenges also play a role. In China, language and cultural differences were identified as the primary hurdle when dealing with overseas customers, with a third citing this as a key barrier. Meanwhile, in the electricals and electronics sector, customs and tariffs are a particular concern, with more than half (53%) of retailers flagging this as their biggest challenge.

For businesses dealing with restricted or regulated goods, compliance is another pressing issue. 'Dangerous goods' (DG) product restrictions were noted as a challenge by a quarter, with higher concerns in specific sectors—33% in entertainment and 29% in electricals. Items containing batteries, and perfume with flammable ingredients, for instance, fall into the DG category, requiring safety paperwork, the correct labels and packaging, and special permits depending on the destination country.

Most promising regions for cross-border e-commerce growth

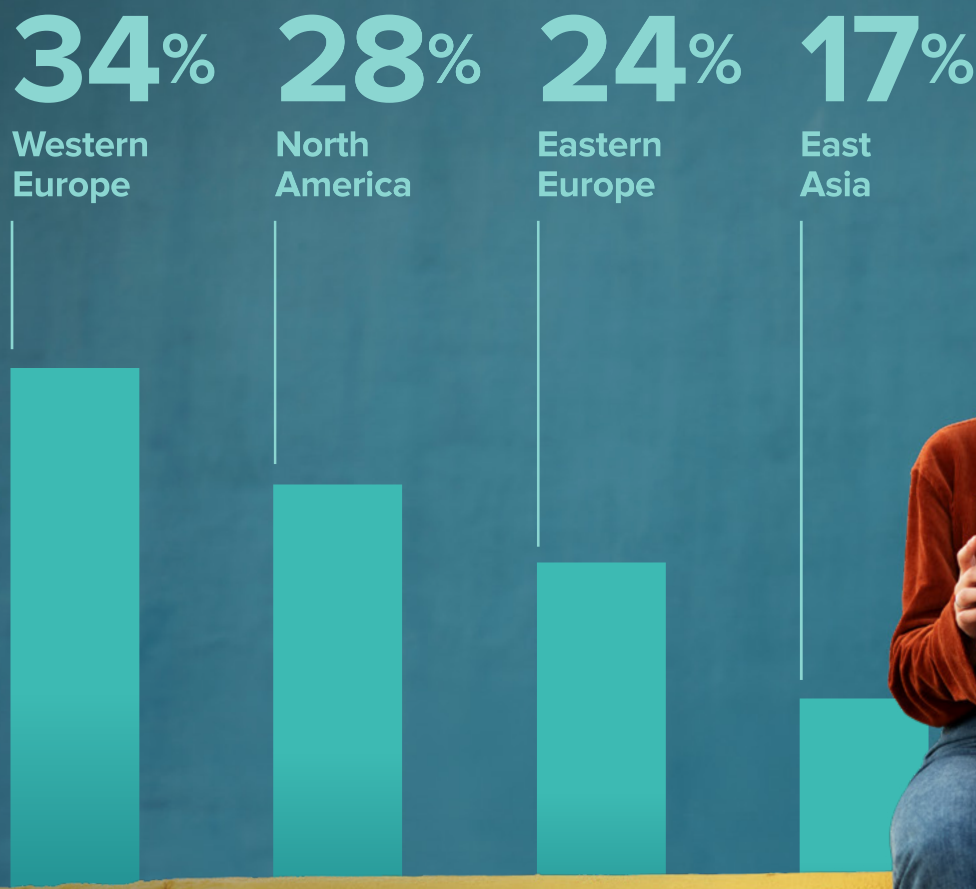
For both logistical and cultural reasons, retailers tend to prioritise nearby markets when expanding their e-commerce presence. Our data strongly supports this trend. We spoke to 1,000 e-commerce retailers from across Europe, the UK, the U.S. and Asia Pacific, with 250 people from each region participating. They were asked: Which regions do you consider best for opportunities to grow your e-commerce business? They were invited to select up to three regions.

Global trends

Looking at the total sample, Western Europe emerged as the preferred growth destination, with 34% of retailers identifying it as a target market. North America followed at 28%, with Eastern Europe (24%) and East Asia (17%) ranking next.

Africa and Oceania were the least favoured regions, each selected by only 5% of respondents. It is important to note, however, that no survey participants were based in these regions. Despite their geographic distance, these markets should not be overlooked. Asendia's experience shows that Australia and New Zealand, in particular, demonstrate strong digital adoption and a high demand for international brands.

Regions that global retailers consider best opportunity to target:



In focus

Asia Pacific

APAC based retailers are most interested in expanding into neighbouring countries in East Asia (40%) Southeast Asia (36%), and South Asia (28%). Nearly a quarter (23%) see North America as a target for new customers. The Middle East is of interest to one in five (19%).

Split by country, Chinese retailers see their opportunities in East Asia (42%), the Middle East (38%) and North America (32%). Just a quarter (26%) are eyeing Western Europe, 22% are looking to Africa, and 16% Eastern Europe. High U.S. tariffs introduced since the survey, may well render America less attractive over time, if consumers are put off by higher prices.

U.S.

U.S. retailers envisage most growth in Canada, with almost half (47%) selecting this. South America (24%) is the second choice and Western Europe (23%) the third choice for American e-commerce brands. Naturally, if trade wars escalate these ambitions may be scaled back, unless the extra costs are built into the price of goods, and accepted by cross-border consumers.

Certainly in Canada, a 'Buy Canadian' movement[1], is building momentum, whereby U.S. goods are being boycotted and domestic brands promoted, suggesting U.S. brands may struggle to gain popularity online in the current climate.

Europe

Over half (56%) of European retailers believe the highest growth opportunities are on their doorstep in Western Europe, the survey finds. Four in 10 (44%) said Eastern Europe was the best target for growth, and around a fifth (19%) had North America in their sights, although this ambition may well recede if trade wars escalate.

Splitting the data by country, we find that 60% of Spanish retailers are focused on neighbouring countries in Western Europe, as are 55% of Italians and 53% of Germans.

Only 14% of German retailers consider North America as an opportunity, while 21% of Spanish and Italian sellers do.

UK

In the UK, 41% of retailers are looking to Western Europe to grow cross-border sales, and 23% to Eastern Europe. A fifth (22%) are interested in North America, and 11% in the Middle East.

A surprisingly large cohort - 28% - say they are uncertain of where to target - a sign of the times.

1: https://www.newsweek.com/buy-canadian-movement-us-companies-donald-trump-tariffs-2053499

Destination APAC

Asia-Pacific accounts for some of the biggest consumer markets in the world with a growing middle class and high internet use. Asendia has helped different brands to expand into Southeast Asia and Oceania (Australia and New Zealand) as first destinations because we consider them 'easy' markets with low entry barriers.

In this region, Asendia offers best-in-class delivery solutions for e-commerce shipments, thanks to our extensive postal network connections via the Singapore hub, strong partnerships with key postal operators across South Asia and Oceania, and collaborations with leading local carriers — including Ninja Van and other companies backed by the La Poste Groupe.

Lionel Berthe,
Head of Asendia Asia Pacific

"At Asendia we are developing additional e-PAQ solutions to increase volume exchanges between Europe and Asia, and North America and Asia. Asian consumers are very keen on buying Western goods. We want to facilitate the shipping process to empower American and European sellers in this strategic market."

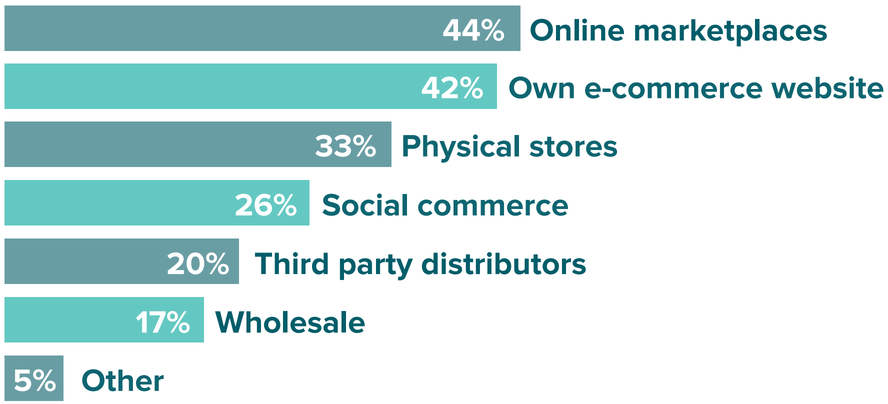
Variations in online selling by region

Our research confirms online marketplaces now dominate global e-commerce, slightly surpassing owned websites as the primary sales channel. When asked to name their main sales platforms (with the option to select three), 44% of retailers chose marketplaces, 42% named their own e-commerce websites, and 33% relied on physical stores with international shipping.

A quarter (26%) said social commerce is a primary channel, rising to 39% for health & beauty and 35% for fashion.

Drilling down, the findings highlighted stark regional contrasts. When viewed in isolation, European retailers confirmed owned websites still hold their ground (45%) as the leading e-commerce sales channel. A third (35%) use online marketplaces like Amazon, eBay and Zalando, and 30% sell via physical stores with international shipping. Social commerce, via platforms like Facebook Shops and Instagram Shopping, is a channel for 20% of European retailers, dropping to 10% in Germany.

How does your business primarily sell to international customers?



Total sample of 1,000 retailers

With a market very similar to Europe, albeit more mature, most UK businesses (43%) sell through their own sites, 38% via marketplaces, and 34% through physical stores that ship internationally. Social commerce is important to just 18%, although this rises to 44% in the health & beauty segment, and 26% in general merchandise.

Looking at APAC, in South Korea, marketplaces are dominant, selected by 68% of respondents, while 42% use social commerce, and just 24% rely on their own websites. A similar pattern appears in Hong Kong, where 64% of retailers sell via marketplaces, compared to 40% through their own websites. In contrast, China's e-commerce landscape is more evenly distributed, with marketplaces, owned websites and social commerce each being selected as important by around 50% of respondents.

For Singapore, the dominant channel is owned websites (56%) closely followed by marketplaces (54%).

U.S.-based e-commerce sellers are most reliant on online marketplaces (50%) followed by their own websites (38%), physical stores (35%) and social commerce channels (25% rising, to 50% for electronics and 29% for fashion).

Physical stores play vastly different roles across regions. South Korea is the least reliant on them (16%), whereas China is the most (44%). Meanwhile, Hong Kong stands out as the only market where wholesale is a major factor in e-commerce, with 48% of businesses using this route to market.

50% of U.S. e-commerce retailers most reliant on online marketplaces

The changing landscape of international returns

Managing product returns is a critical part of global retail, and businesses around the world are taking different approaches to streamline the process. Almost a third (30%) of retailers handle returns through a centralised in-house system, while 29% rely on third-party returns management services. Meanwhile, 24% have local return centres in each market, ensuring a more localised approach.

In APAC countries, third party returns services dominate. In China, over half (52%) of retailers use them to handle the complexity of returns, as do 36% of retailers in both Singapore and South Korea, and 30% in Hong Kong.

In Europe, centralised returns processing is preferred by the majority (37%) followed by local returns centres in each market (23%).

Not all retailers accept international returns. Nearly one in five (16%) globally refuse returns on international orders, a figure that jumps to 23% among UK retailers, 19% in Italy and 18% in the U.S.

One emerging trend is 'returnless returns', where customers get refunded for certain items but don't need to send them back. This approach is typically used for low-cost, bulky, or hard-to-resell items, reducing shipping costs, carbon footprint, and logistical headaches. Currently, 33% of retailers worldwide offer returnless returns for specific products or situations, while 28% plan to implement them soon. However, nearly 40% have yet to adopt this model.

In Europe, Germany leads the way in returnless returns, with 44% of retailers offering this option.

In the APAC region, 30% already provide returnless returns, and another 39% are planning to introduce them in the near future. As retailers continue to refine their return strategies, balancing cost efficiency with customer satisfaction remains key.

Helen Scurfield,
CEO, Asendia Global Returns

"If brands are carrying out returns analytics to pinpoint problems, they can be proactive in addressing sizing and design issues, incidents of damage in transit, or hold-ups in delivery. Being alerted to the causes of returns means brands can see big efficiency improvements over time. The Asendia e-PAQ Returns platform gives retailers access to powerful data analytics to achieve this."

Future trends
Giving consumers choice

The demand for faster delivery is nothing new, but retailers are feeling the pressure to step it up, our survey reveals. The 1,000 global retailers were asked: ‘Which future trends are you preparing your e-commerce business for in the next five years’, and invited to ‘select all that apply’ from a comprehensive menu.

Globally, 35% are prioritising faster shipping, with that number climbing to 38% for general merchandise retailers and 40% in the sports and leisure sector, where instant gratification is key. Australia is leading the charge, with 44% of retailers there naming speed as their top priority. Clearly, when your nearest cross-border customer is thousands of miles away, logistics need to be on point.

Cash is no longer king, and retailers are preparing for the next wave of payment innovation—from digital wallets and Crypto, to buy-now-pay-later options. Three-in-ten (32%) of global retailers are getting ready to embrace new payment methods, making checkout smoother and more accessible across markets.

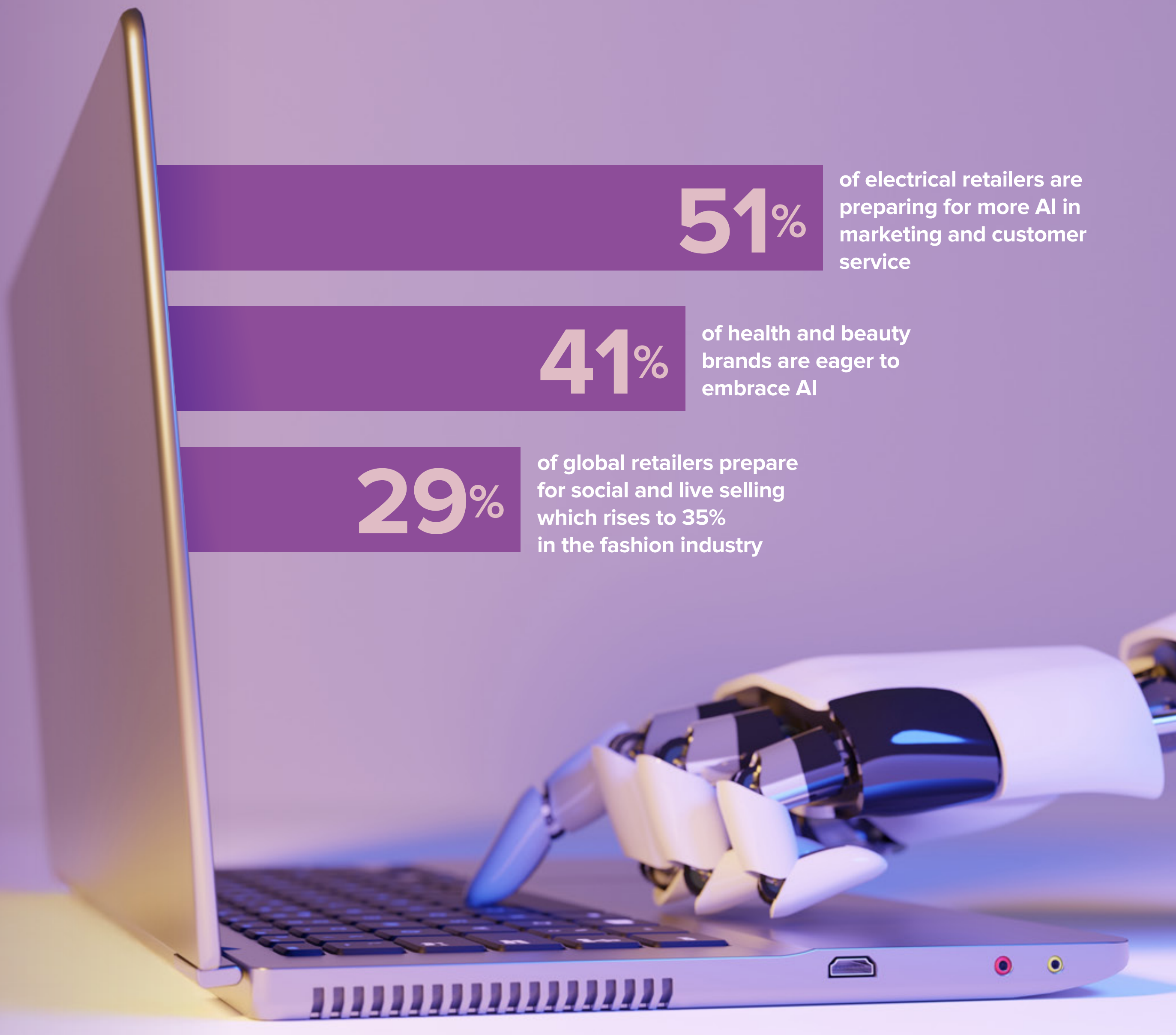
35% of global retailers are prioritising faster shipper, rising to 44% of Australian retailers

32% of global retailers are ready to embrace new payment methods

In APAC, AI is the undisputed top trend (44%), outpacing other regions like Europe (31%), the UK (30%), and the U.S. (34%). With countries like China and South Korea leading the world in AI-driven retail, it's no surprise that APAC is setting the pace.

A third (35%) of global retailers are preparing for smarter automation, with AI-powered chatbots, hyper-personalised recommendations, and streamlined customer service becoming an aspiration for them. The health & beauty sector is particularly eager to embrace AI (41%), likely due to its focus on personalised skincare and makeup recommendations. But the real AI enthusiasts are electricals retailers, with over half (51%) prioritising deployment in marketing and customer service. It's likely that these retailers are selling cutting-edge tech, therefore the shopping experience needs to be just as smart.

Meanwhile, the way people shop is evolving too. Social commerce and live selling—where customers can buy directly from social media platforms or livestreams—are gaining traction, with 29% of retailers preparing for this shift, rising to 35% of global fashion sellers. With influencers and brands blending entertainment with instant purchases, shopping is becoming more interactive than ever.



51% of electrical retailers are preparing for more AI in marketing and customer service

41% of health and beauty brands are eager to embrace AI

29% of global retailers prepare for social and live selling which rises to 35% in the fashion industry

Domenico Pereira,

Chief Marketing Officer, Asendia

"Overall, these figures suggest retailers are planning for a future where international e-commerce shoppers enjoy more choice – in how they engage with brands, order items, receive parcels, make payments and return or resell products."

Sustainability
Balancing ambition with reality

Sustainability remains on the agenda for international e-commerce operators. Four in ten (41%) retailers in our study say they feel pressured to lower emissions, with this figure rising to 58% in Hong Kong and 56% in Singapore.

Consumers are demanding greener practices, and retailers are responding by consolidating shipments to reduce their carbon footprint (33% globally) and partnering with green-certified logistics providers (29%).

Despite growing momentum, achieving sustainability in global e-commerce isn't without its challenges. The biggest hurdle is cost: 46% of retailers cite high expenses as the main barrier to adopting sustainable options. Beyond financial concerns, 35% struggle to align their sustainability goals with customer expectations, particularly when it comes to balancing speed, convenience, and environmental responsibility. Overseas shoppers may desire green delivery, but they still want fast, cheap delivery.

Technology also presents a roadblock. Nearly 30% of retailers globally feel that a lack of eco-friendly tech solutions is holding them back, a concern that rises to 34% among European retailers and peaks at 41% in Germany. In China, the greatest challenge is the lack of green-certified logistics partners, cited by 56% of respondents.

Amy Collins,
Head of Asendia Global CSR Engagement, Asendia

"Retailers need to be honest with customers about the realities of sustainability in global e-commerce. While innovation is driving progress, international shipping will never be carbon-neutral. Transparency, choice and practical commitments—rather than lofty promises—will build trust and drive real impact."

46% of retailers cite high expenses as the main barrier to adopting sustainable options

33% of retailers are consolidating shipments to improve carbon footprint

While alternative delivery methods, such as out-of-home (OOH) delivery, are gaining traction, interest varies by region.

In the U.S., 15% of retailers are exploring this as a way to cut emissions, but adoption rates are lower in Europe and APAC (12%) and the UK (10%).

There is a strong development of OOH networks across many countries, which Asendia views as vital for sustainable growth of cross border e-commerce. According to a McKinsey study[2] the OOH delivery market is estimated to be worth €9 billion by 2027. As networks of lockers become denser, it will enable e-commerce brands to offer more sustainable solutions to their overseas customers, cutting failed delivery rates, and bringing shoppers ever closer to PUDO (pick up and drop off) delivery points.

As retailers push for greener solutions, it's essential to balance ambition with practicality. International parcel shipping is inherently high in carbon emissions, and while retailers and their shipping and delivery partners are making strides in sustainability, no solution is yet perfect.

Manuel Bonnin,
Head of Innovation, Asendia

"When it comes to overseas delivery methods, choice is key. For example, offering out-of-home delivery options is important to many of the retailers we support today. Proactive brands are meeting the evolving needs of shoppers in each region they enter, and these will be the long-term winners in cross-border e-commerce."

2: https://www.mckinsey.de/publikationen/2024-10-28-ooh-delivery

Conclusion

Despite difficulties, opportunities endure—our survey makes that clear.

Retailers venturing into international markets can tap into new customer bases, diversify revenue streams, and enhance brand recognition. Thanks to strategic planning and collaboration with experienced shipping partners, businesses can transform logistical challenges into opportunities for global growth.

Navigating the complexities of cross-border e-commerce requires adept handling of road, sea and air freight, customs regulations, and delivery expectations. Shipping partners, including third-party logistics providers (3PLs) and freight forwarders, are instrumental in this process. They offer expertise in customs compliance, warehousing, returns and last-mile delivery, enabling businesses to focus on growth without logistical burdens.

The obstacles we've explored in this report, exacerbated by geopolitical disruption and extreme uncertainty in trading relations, won't disappear any time soon. Retailers acknowledge that.

Yet the prevailing sentiment among e-commerce brands is one of resilience and determination. Businesses across the world are proving that international expansion remains a viable and rewarding opportunity, even in an era of tension.

As a leader in e-commerce fulfilment and parcel air freight handling, Asendia can help e-commerce retailers overcome the challenges discussed in this report.

We provide international e-commerce and mail solutions from 17 countries, delivering to over 200 destinations worldwide.

Trusted by leading retailers worldwide, e-PAQ is our range of parcel delivery and returns services optimised for shoppers in each country you are selling to.

We provide the export logistics, air freight partnerships, final-mile network, IT platform and customs expertise.

asendia

Discover e-PAQ by Asendia, our range of international delivery solutions created to make shipping, returns and global distribution easier and faster

Speak to Asendia today

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