

A photograph of three young women in winter attire. The woman on the left has long brown hair and is wearing a patterned top. The woman in the middle is smiling, wearing a white puffer jacket and a black beanie, with her hands on her head. The woman on the right is wearing a dark green puffer jacket with a fur-lined hood and a grey beanie.

CASE STUDY

## ASOS expand to Russian market

The ASOS logo, consisting of the letters 'asos' in a bold, lowercase, black sans-serif font. Below it, the tagline 'discover fashion online' is written in a smaller, lowercase, black sans-serif font.

**asos**  
discover fashion online

Despite still being in its infancy eCommerce in Russia is growing at an exponential rate. According to Morgan Stanley

**the Russian ecommerce market will grow by 35% reaching \$36 billion, representing 4.5% of total retail sales in Russia by 2015.**

This figure is expected to increase to \$72 billion by 2020 – representing 7% of total retail sales. With such growth opportunities it is no surprise that the region has attracted the interest of the global retail industry.

With over 6 million active customers worldwide and international sales representing over 61 per cent of their total ASOS is well known for its successful international expansion strategy. As such it was one of the first major retailers to embark into Russia launching a local language website in May 2013 partnering with UK based wnDirect to offer its express delivery services to Russian customers.

Matt Rogers- Head of Delivery Solutions and Inbound Supply Chain “The logistics element of entering a new market is one of our major considerations. As such

when we started to look at our Russia solution we conducted significant research into various logistics providers to determine who would best suit our needs.

**wnDirect really differentiated themselves from the competition by offering a well-considered, tailored solution, that fully accommodated all of our requirements”**

Whilst customers desire product from ‘faraway’ lands they also want an experience which is familiar to them and can, therefore, be trusted. In order to embed this into the very heart of their services wnDirect partners with best-in-class local delivery partners who bring a

very unique aspect to their service.

These partnerships give them an unrivalled insight into the market and what is required to be able to work efficiently and successfully there.

Matt Rogers continued “wnDirect came to us with a well considered proposition. Not only did they have

## a comprehensive understanding of our international growth strategy

they also understood Russia and the complexities involved with delivering there.”

Combined with the challenges the extensive geography brings the Russian postal service does not have a good reputation. Companies with experience of

working with the postal service often complain about excessive delivery times, lost or stolen parcels, and non-distributed parcel rates of up to 100% in certain areas.

Matt Rogers said “Our experience of working with the Russian postal service wasn't a particularly positive one in terms of maintaining customer service levels. Essentially our option was to put things into the postal system. If the customer hadn't received it within 28 days we'd either resend or offer a refund. We were experiencing a high number of losses which has a significant financial impact on our business. “

Stuart Hill, Managing Director of wnDirect, said

## “We believe that localisation is key to global success. It is pertinent in all markets but particularly in Russia.

Russia's most popular websites are not related to the international giants – which is an unusual situation in the world today. Success in any foreign region requires an in-depth understanding of their procedures but also respect for their culture. The wnDirect service is all about delivering to customers in a way that is familiar.

This can really help a brand generate customer loyalty as not only do they like the products, they also enjoy the whole experience.”

It was the detailed knowledge of the area and strong local partnerships which impressed ASOS. It was also the way in which the customs challenge was also considered which set wnDirect apart from the competition.



Matt Rogers continued “We were well aware that customs was going to be a significant hurdle to overcome when implementing our express service in Russia, particularly for items over the duty threshold. wnDirect came to us with

## a fully managed system that controlled the whole customs process which

would enable us to effectively conduct business there.”

The wnDirect Russia solution was developed in partnership with SPSR. This on the ground support and knowledge combined with investment into bespoke technology has resulted in an end-to-end, fully tracked service with customer communications delivered in the local language.

With the wnDirect solution once an order has been made online wnDirect's trusted end broker calculates and applies any relevant local duty and taxes and also confirms what other local requirements there are (such as proof of ID check).

The customer then receives an automated email detailing the duty that needs to be made and provides a link to a secure site enabling them to make payment. It also enables them to upload their ID at this stage. All of these communications are sent in local language and currency and also under the retail brand banner.

From the retailer's perspective the wnDirect system provides full real-time visibility of all orders. The paperless system also provides the retailer with the opportunity to hold the order in the system whilst the various checks are made. If the customer then fails to make the duty payment or upload their ID there are no returns to manage.

Matt Rogers “The solution provided by wnDirect assisted in making our expansion into Russia possible. The customs solution is a vital element to this solution. wnDirect is the first logistics company we have come across who have really differentiated themselves by offering a fully managed solution. They really are helping retailers go global. “

