

NextSmartShip **eFashion** Line

Innovative Logistics Solutions



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Fashion Industry Overview



Chinese Fashion Industry: **A Growing Market**

\$300 Billion

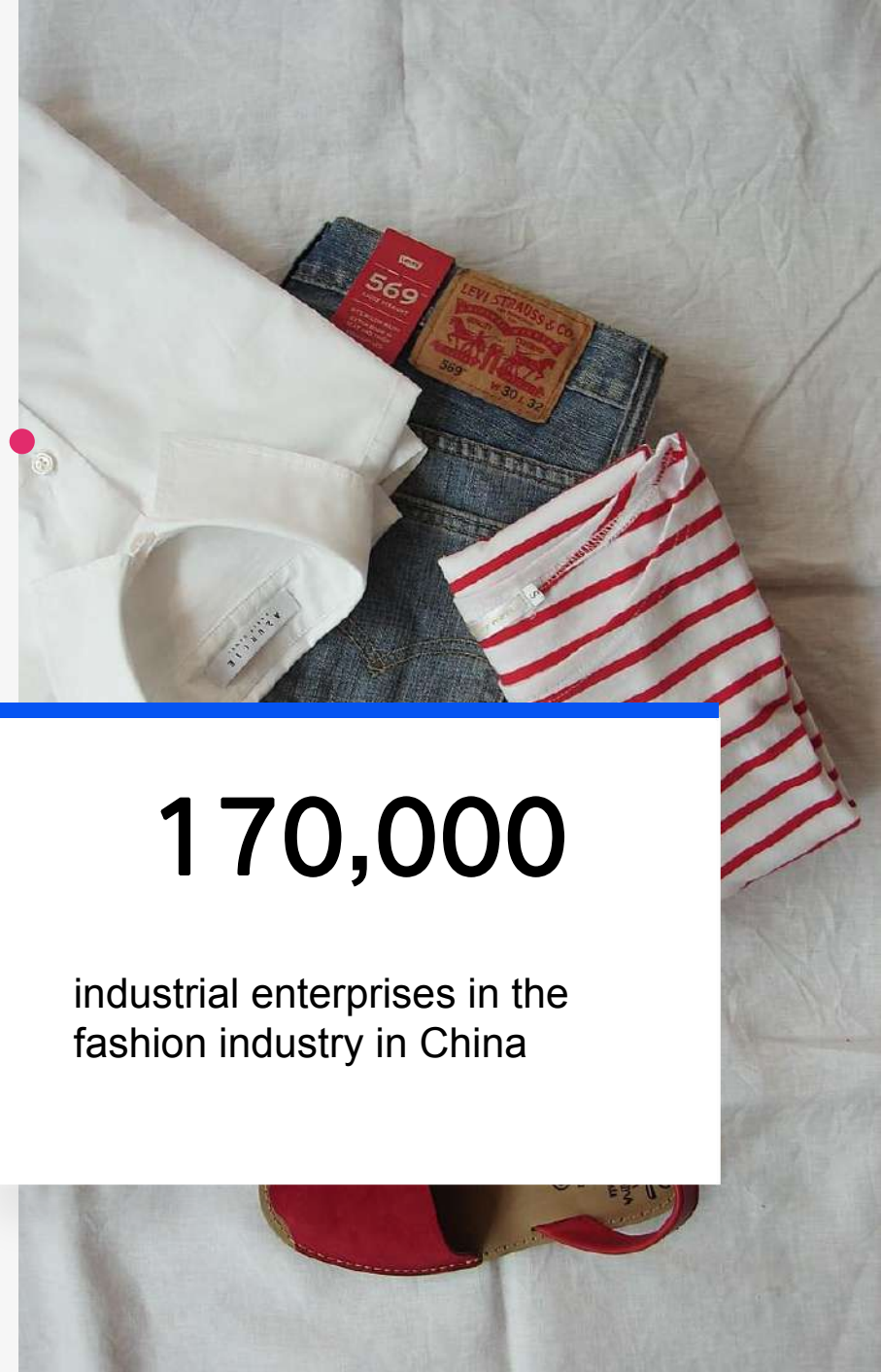
revenue in Chinese textiles
and clothing export, ranking
first in the world in 2021

48%

of the global revenue
is generated in China

170,000

industrial enterprises in the
fashion industry in China



Fast-fashion Giant: Shein's Chinese Supply Chain Hub

1

Shein's market value is close to 100 billion USD. It integrates small and medium-sized garment factories in China. Its independent "flexible supply chain" can quickly design patterns, make and produce.

2

95% of Shein's global products are sent from domestic central warehouses. The logistics delivery speed is 7-11 days.

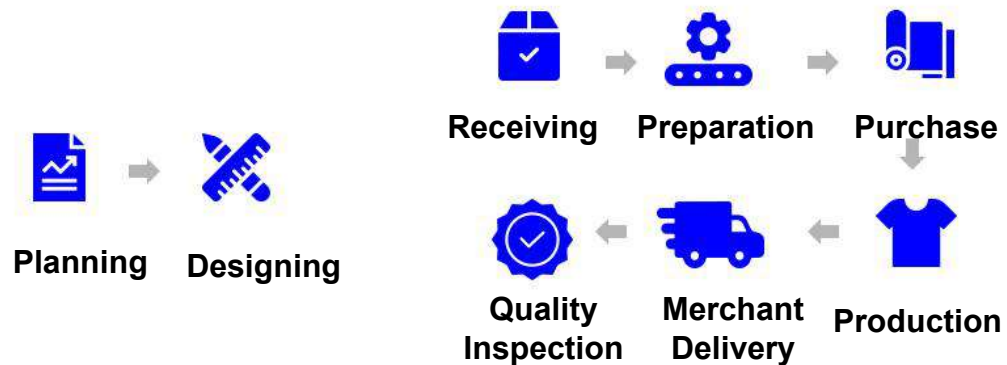
3

The efficient distribution of Shein logistics greatly enhances the competitiveness of the brand, enhances the consumer experience, and increases customer loyalty.

Fast-fashion Giant: Shein's Chinese Supply Chain Hub

Design & Manufacturing

Cross-border Logistic



- Shein: 3-7 days industry average: 2-3 weeks

- Shein: 7 days in main markets

Manufacture in China **Ship Globally**

- The apparel industry requires flexible supply, and low inventory.
- Product styles are seasonal and have a short life cycle, which requires quick responses to the market.



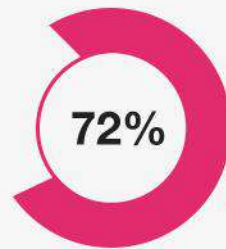
So, it's not practical to produce in large quantities, nor stock up large quantities in overseas warehouses.

Direct delivery from the source of production is the preferred solution for small companies..



Fast Shipping **Drives More Sales**

Delivery factors that customers care the most about



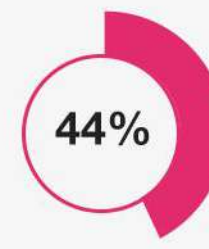
Delivery time



Security



Delivery to the door



Customization

-
1. Customers are very sensitive to delivery times.
 2. When a retailer offers one-day shipping, sales increases by 0.73%, profits increase by 2.0%, and customers spend 3.5% more on each order.

Good Fulfillment Services **Boosts Sales**

Superb and Simply the Best

I would want to cite the Client platform that we are using it's flawless and very user friendly.

We are in the midst of getting back the trust of our customers again in terms of shipping and I think we found the answer to it.

A core part of our growth strategy

We chose SB because of their claims to be able to scale with our business and to provide a true partnership experience, though transparency and superior customer service. They have lived up to our expectations, as our business has grown 13x since we started with them. While not without speed bumps in the relationship along the way, their willingness to work with us to problem solve and partner in those outcomes has helped us build the trusting, long term partnership we were seeking. Their tech is good, their people are good, their management is solid, their facilities are well placed and well run, their costs are in line if not better than their competitors, especially at the first 5 pick level, and they are ever-growing, ensuring scalability for our business. If you're doing your homework this outfit is more than worth a deep dive.

👍 Useful 🔗 Share



Poor Fulfillment Services **Ruin Sales**

Slow shipping cause big trouble

They do not care about you or your business. Their “super fast” shipping was so slow that it tanked my Etsy score and took me out of the Star Seller program. They do not communicate. They will not get back to you. And then you’re left stringing along your customers because you can’t get answers for them. ShipBob was the biggest embarrassment to my business. It was so bad that I am back to doing it myself. Do not hire this company.

👍 Useful 🔗 Share



SLOW and so terrible!

Seriously awful! They are ruining our reputation with SLOW everything, orders unfulfilled for weeks, incoming stock not entered in for a whole month, inflexible technology, and support staff that can't get passed the clunky system because it's a very "Computer says 'No'" situation.

I sent a pallet in and it took multiple emails and a whole month for it to processed and marked as received, obviously delaying sales and launching. When it was finally marked as received, they inputted the incorrect amount of stock, so there was further delays and emails.



Fashion Industry Logistics Challenges



Time-sensitive

Fast fashion eCommerce sellers require supplies in small quantity and short production cycles.

They also require short delivery times to ensure the best user experience possible.



Complex SKUs

- The fashion industry has a huge number of SKUs, it would be difficult to manage the stock of products and fulfill every order precisely.
- Some orders include more than one SKU, which increases the difficulty.
- You need an intelligent system to manage this vast variety of SKUs and orders.



75,000 SKU



260,000 SKU



7,300 SKU

Bulky Cargos Increase Logistics Costs

- Most fashion industry parcels are bulky, which results in extra volumetric cost. It would increase the cost by 20%-30%, which is a huge burden for low-profit e-commerce goods
- To save costs, you need a fulfillment solution that charges based on the actual weight of your goods.



Orders Are Shipped to Diversified Destinations

- To fulfill orders which are manufactured in China and shipped around the world, you need multiple courier combination
- It takes time and effort to connect couriers one by one, and learn the different about the difference tax and customs
- You need a fulfillment solution that integrates qualified couriers and offer a one-stop solution.

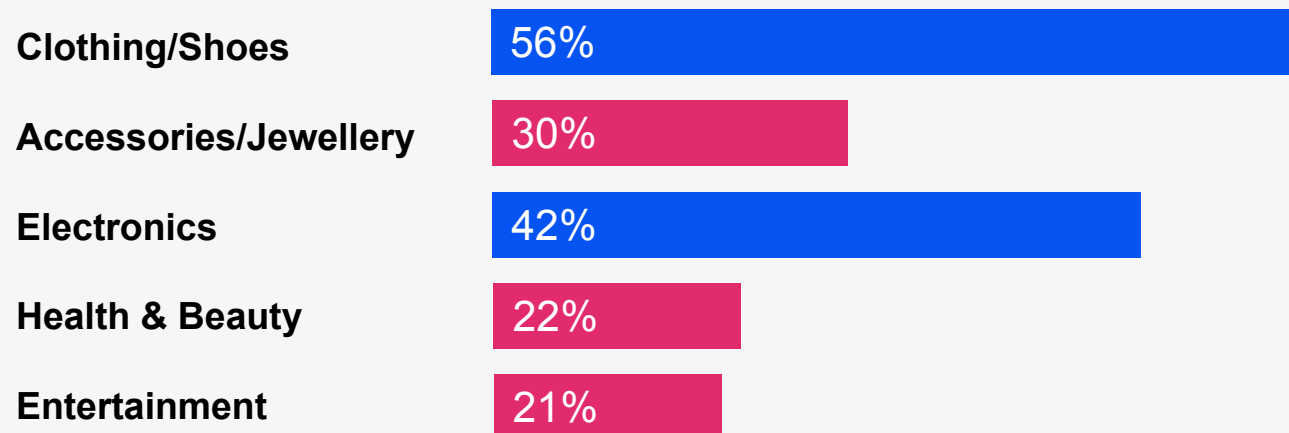


Return Shipments

The fashion industry has the highest rate of customer returns of around 60%.

E-commerce fashion retailers need a qualified fulfillment service to handle returns, in order to re-sell products and lower their costs

Most Frequently Returned Online Product Categories



How Are Goods Ship to **The Consumers**

2 ways to ship:

1. In-house fulfillment

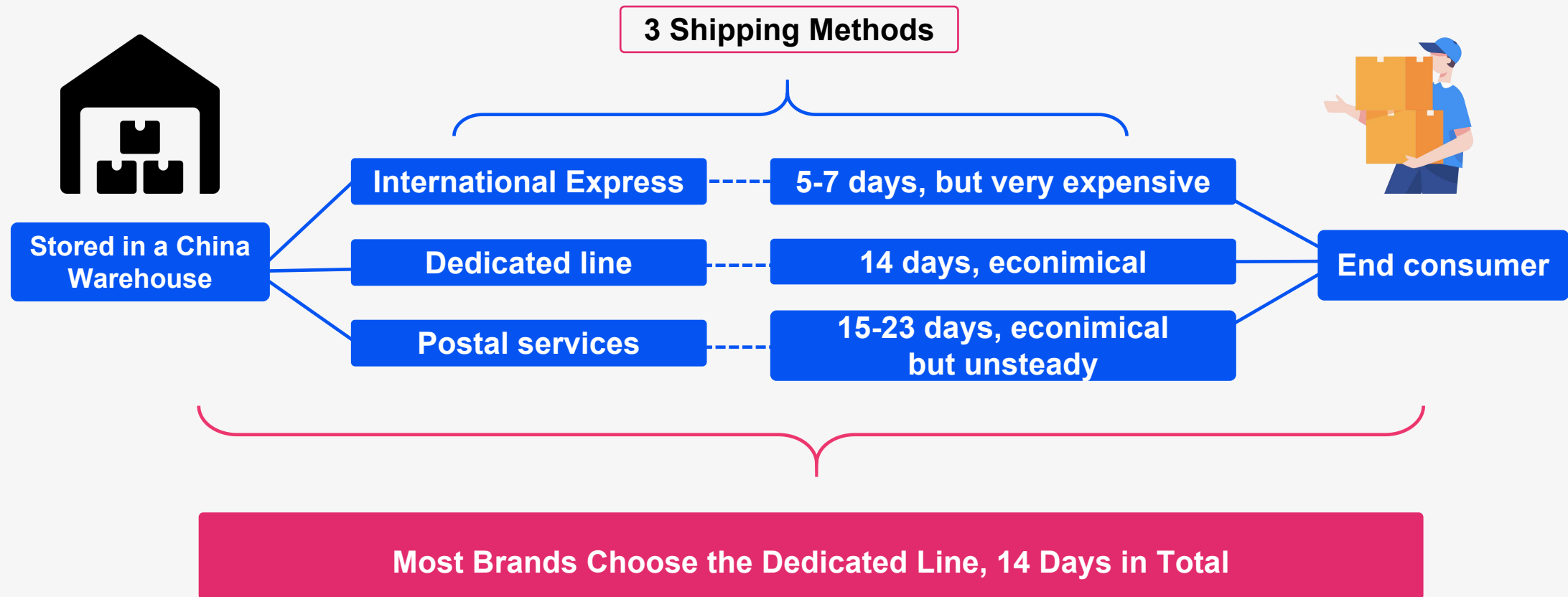
2. Third-party fulfillment

	In-house fulfillment	Third-party fulfillment
What is it	Order fulfillment is managed by the brand owner(s). They will work with logistics forwarders and warehouses to fulfill.	Order fulfillment is outsourced to an offsite, third-party company
Key differences	Inventory is stored in a location owned or leased by the company. This is usually the owner's home, a rented storage unit, or leased warehouse. Scaling requires committing more time, hiring more employees, and expanding available space.	Inventory is stored and processed in a strategically located facility. Infrastructure and resources are available to scale effortlessly.

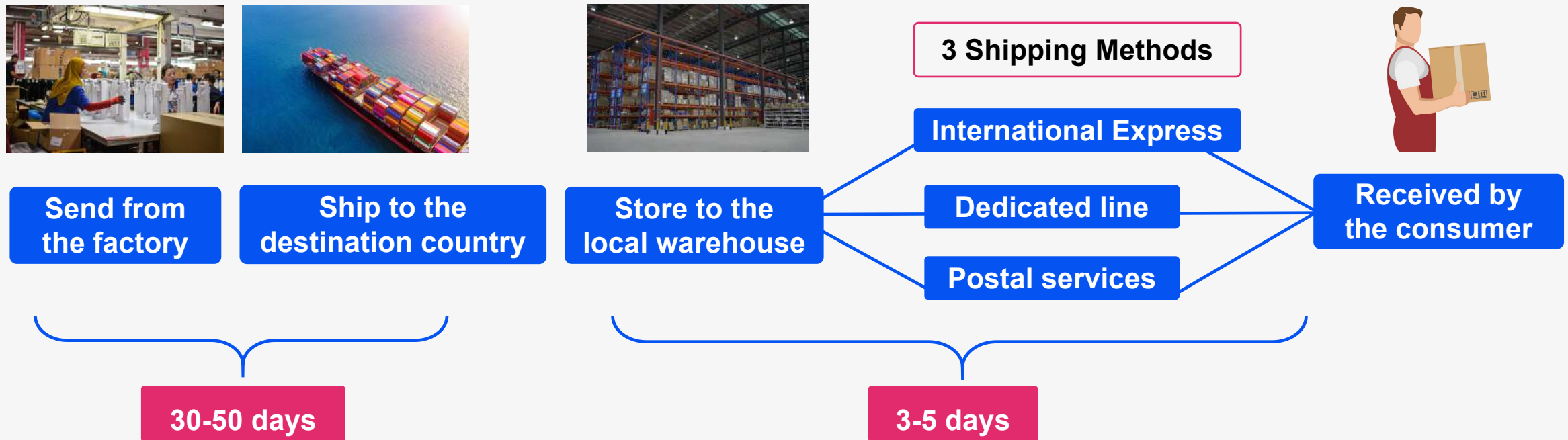
In-house Fulfillment: Common Risks

	Step	Challenges and risks
In-house	Pick & Pack	Requires a lot of time, materials, labor and space
	Couriers comparison	Requires logistics know-how, time and energy. Very challenging to select the best logistics options for global consumers.
	Cost calculations	Complicated pricing structures and hidden fees. Often resulting in additional fees that are unexpected.
	Pricing negotiations	Shipping destinations are scattered and low order numbers often result in an uncompetitive price quoted by couriers.
	In transit	Tax, customs clearance, insurance and other issues require lots of professional knowledge and experience.
Outsource to NextSmartShip	All of the above steps will be managed by NextSmartShip. Save time, energy, and money so you can focus on your product.	

Common Shipping Methods 1: Store Goods in China|Send Directly **from China**



Common Shipping Methods 2: Store Goods in Local Warehouses|Send **from Local Warehouses**

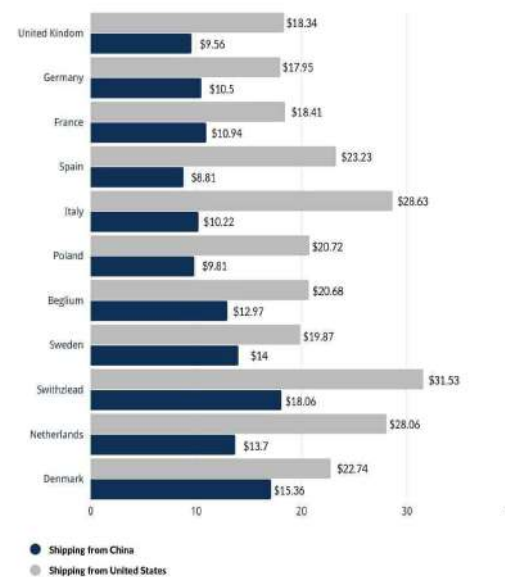


If the rotation rate is low, there'll be unwanted ocean freight to the destination country and inventory risks

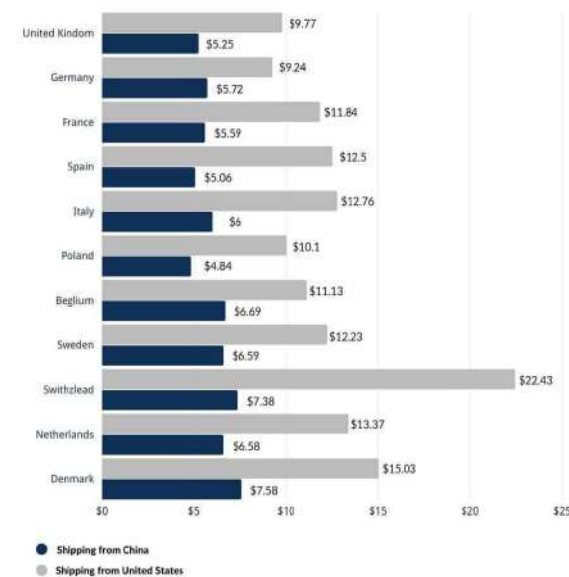
The Advantage of Sending Directly From China Warehouses

- If the small parcels are sent directly from China, the price is much lower than storing them in the destination country.
- Close to the Chinese supply chain, thus reducing inventory risk, saving unnecessary high ocean freight and storage fees
- During peak seasons, the deliver time and price of small parcels would be much steadier while the shipping methods and shipping space would be more sufficient.

WHEN THE AVERAGE PARCEL WEIGHT IS 0.8KG, US INTERNATIONAL SHIPPING IS 46.46% HIGHER THAN SHIPPING FROM CHINA



WHEN THE AVERAGE PARCEL WEIGHT IS 0.2KG, US INTERNATIONAL SHIPPING IS 52.07% HIGHER THAN SHIPPING FROM CHINA



Who Is NextSmartShip ●

**NextSmartShip is an international fulfillment platform and technology-driven 4PL.
We are different from traditional freight forwarders.**

- **Our warehouses are distributed in 6 countries around the world.**
- **We have an extensive global fulfillment network with hundreds of logistics channels.**
- **We provide professional door-to-door fulfillment. You can hand us your products right after they leave the factory, and we will help to deliver them to your consumers.**
- **We developed our own OMS and WMS system that is simple and easy to use.**

OMS system is Order Management System, a software system used by brand owners to manage order logistics

WMS system is Warehouse Management System, a software system used by warehouse owners to manage warehouse operations



Why Should You Use Our eFashion Line?



Stronger Bargaining Power Lower Prices

As a logistics platform, NextSmartShip processes thousands of shipments daily. This means we have a strong bargaining power with our courier partners for lower prices.



Costs

Faster than **Dedicated Line**, Cheaper than **International Express**

Example: Clothes, 1.35 kg, From China to Montclair,CA		
	Deliver Time in Total	Cost(USD/piece)
Our Solution	5-7 days	20.79
Dedicated Line	14-17 days	20.00
International Express	5-7 days	118
Sea Transpotation	30-50 days	11.32

Compared with Ocean Shipping

Save **27-38 Days** While Shipping Fee Remains **Almost the Same**

Product	Picture	Mode	Shipping Fee in Total (US dollars)	
			Price in Total	Time in Total
Sweatshirt		Sea Transportation Store in the USA for 0-12 months	11.32 USD/Piece	32-43 days
		Our Price	12.07 USD/Piece	5-7 days
Down coat		Sea Transportation Store in the USA for 0-12 months	20.16 USD/Piece	32-43 days
		Our Price	20.21 USD/Piece	5-7 days

Compared with International Express(Volumetric Price|Send from China)

Save **3-6 Times** Shipping Fee with **Almost the Same Time**

Product	Picture	Different Charging Mode	Shipping Fee (US dollars)
Down coat		DIM Weight: 7kg	118 USD/Piece
		Our Charging Weight: 1.35kg	20.79 USD/Piece
Jewelry		DIM Weight: 1.5kg	34.78 USD/Piece
		Our Charging Weight: 0.1kg	5.12 USD/Piece
Shipping Time	The Same Shipping Time		5-7 days

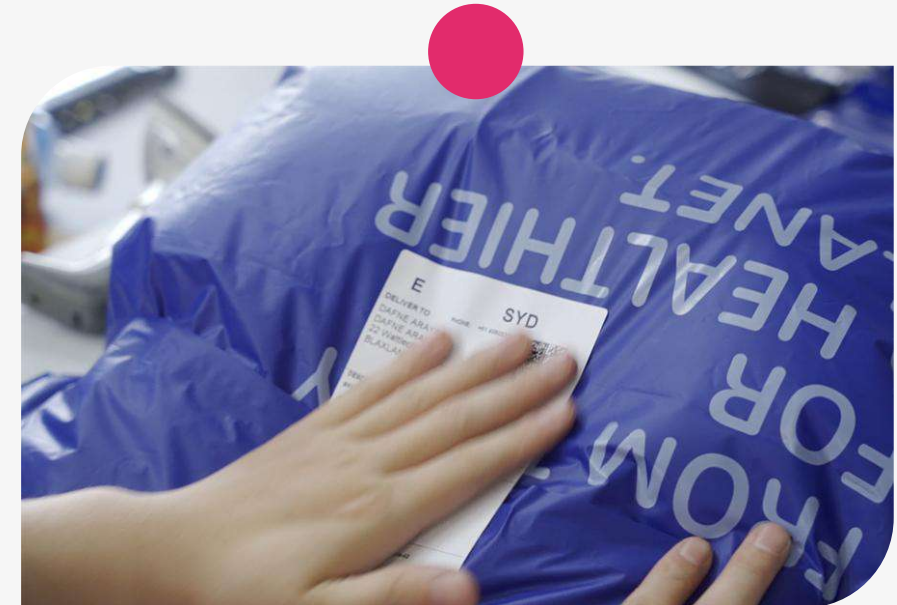
Extensive Logistics Channels

- NextSmartShip integrates hundreds of shipping channels and has 8 global warehouses in different countries.
- Our network covers 97% of the world's countries and regions, thus helping project owners to easily ship to their consumers around the world.



Guaranteed Services

- **Premium services:** NextSmartShip's fulfillment center can provide a variety of personalized services, such as packaging, labeling, logo changing, assembling, tag replacement, etc.
- **White label replacement:** we can change the label of white label products and package according to customers' needs.
- **Guaranteed after-sales service:** we handle issues related to shipping delay and damages. Your dedicated account manager will handle the project from end-to-end.



NextSmartShip's China Fulfillment Center

NextSmartShip China Master fulfillment center

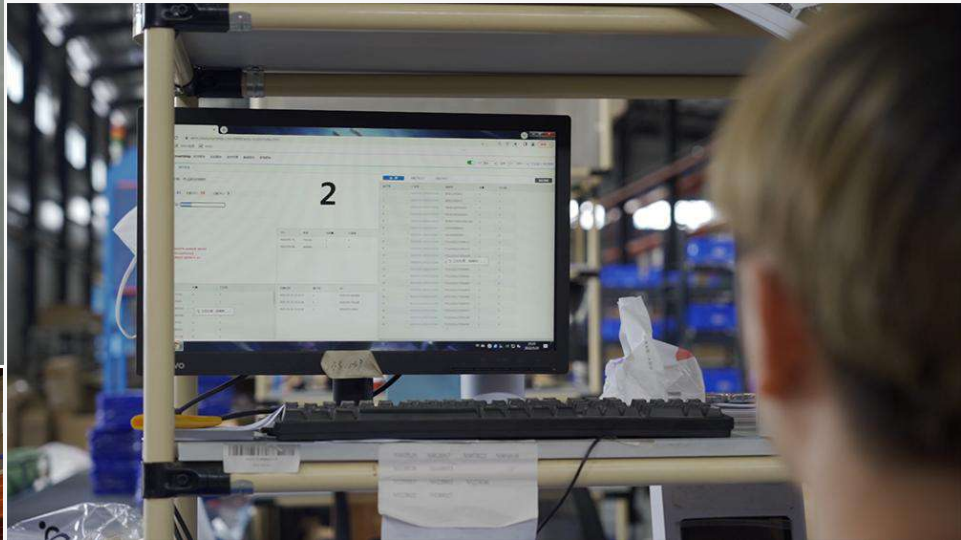
- Located in Dongguan city, Guangdong province
- 10,000 square meters land area.
- AGV(automatic guided vehicle) as well as automated assembly line support.
- Processing over 1,000,000 packages per year.
- Package lost rate: no more than 0.6%.





Modern Fulfillment Center



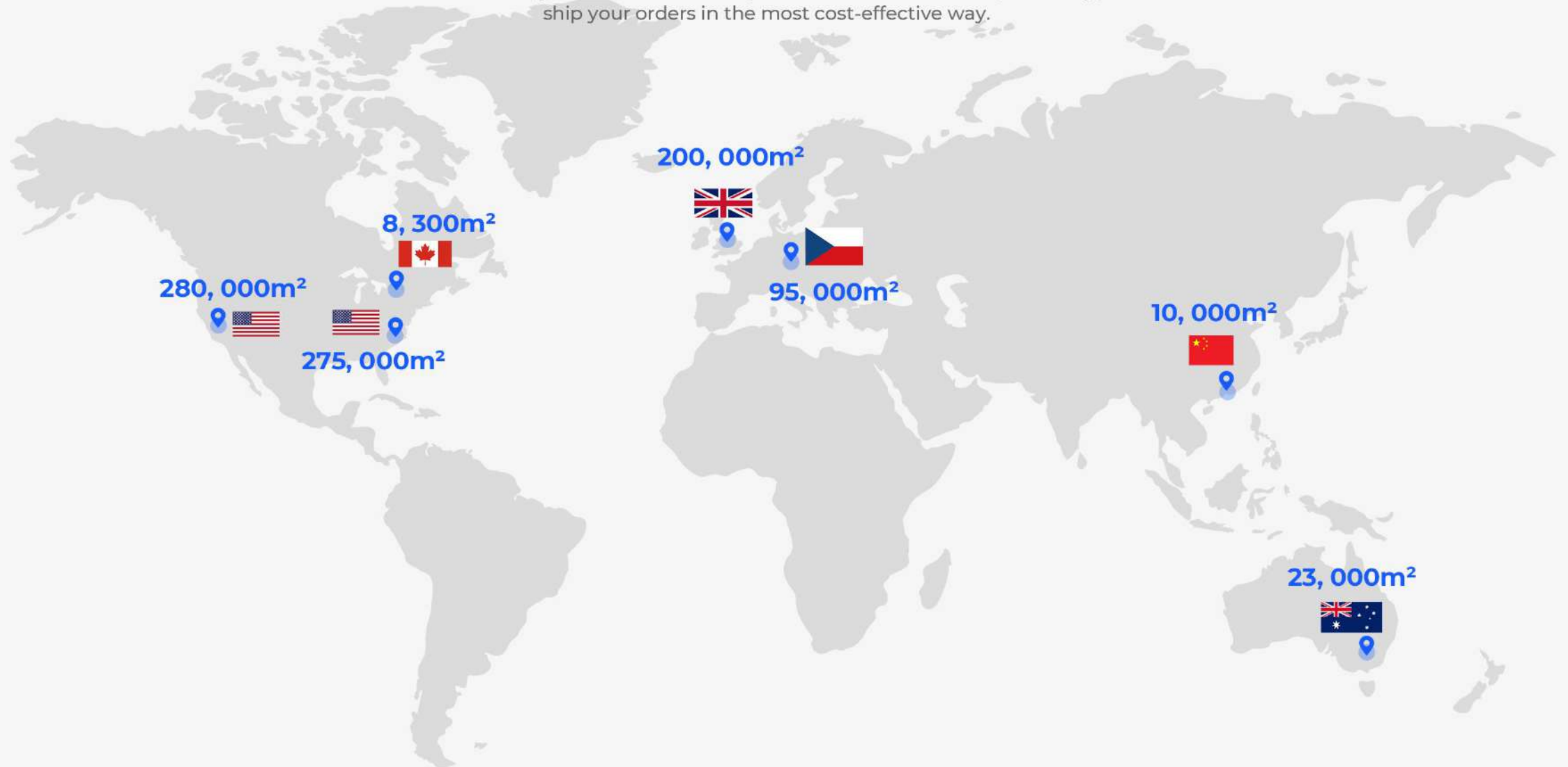


Modern Fulfillment Center



Global Order Fulfillment Capabilities

We have a strategic network of courier partners around the world, enabling you to ship your orders in the most cost-effective way.



Professional Packaging Solutions



**Ordinary
Express Bag**



**Compostable
Express Bag**



**Ordinary
Bubble Mailer**



**Compostable
Bubble Mailer**



Shipping Box



**Non-Woven
Fabric Bag**



**Ordinary
Ziplock Bag
(Matte frosted plastic)**



**Compostable
Ziplock Bag**



**Compostable
Bubble Wrap**



**Air Column
Bag**



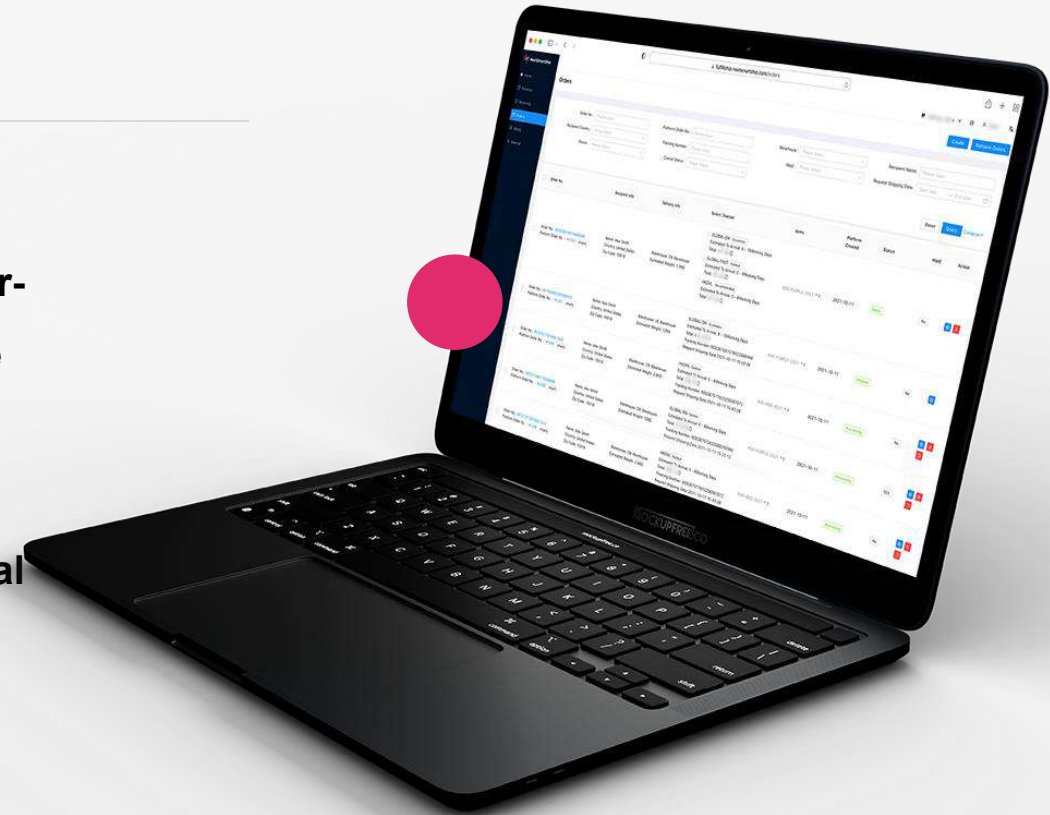
**Corn Starch
Foam**



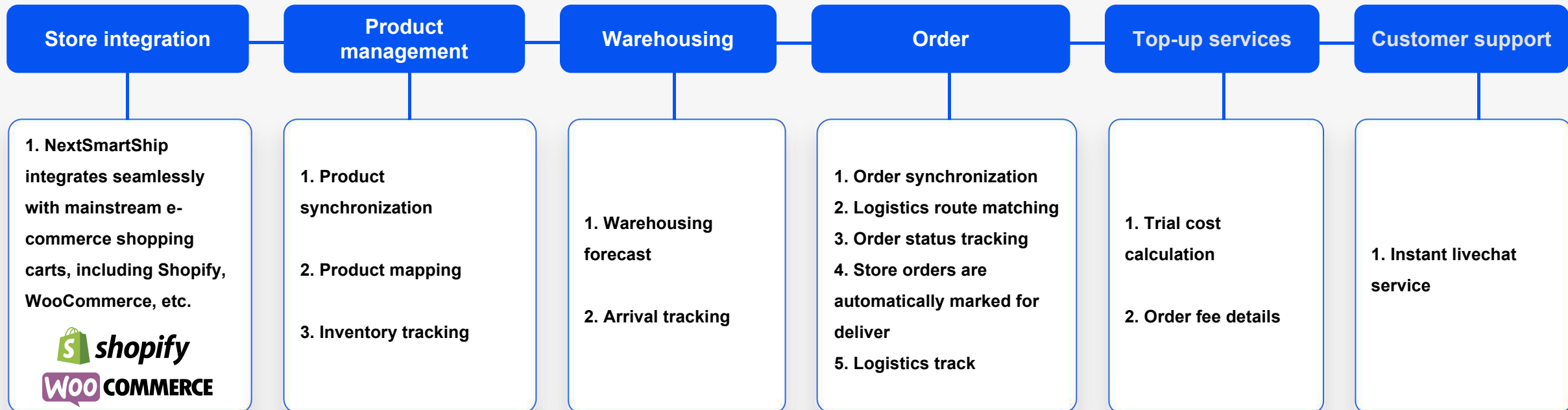
**Brand
Stickers**

Simple and Intuitive OMS

- Our self-developed OMS (Order Management System) is very user-friendly and easy to use. All of your logistics management can be done on one platform alone.
- There are many SKUs in the apparel industry, and the professional order management system manages the order packaging and delivery throughout the process, minimizing the rate of wrong parcel delivery, and accurately fulfilling the contract



Powerful OMS : Manage Your Orders Effortlessly



What Can We Integrate With



We have served thousands of global DTC customers and dozens of crowdfunding clients to successfully fulfill their rewards.

NextSmartShip Fulfillment Solution

