

eCommerce Challenges and Opportunities



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双十一 VR 购物产品 BUY+ 产品测试记录

No.2016100807



A Consumer-Centric Business

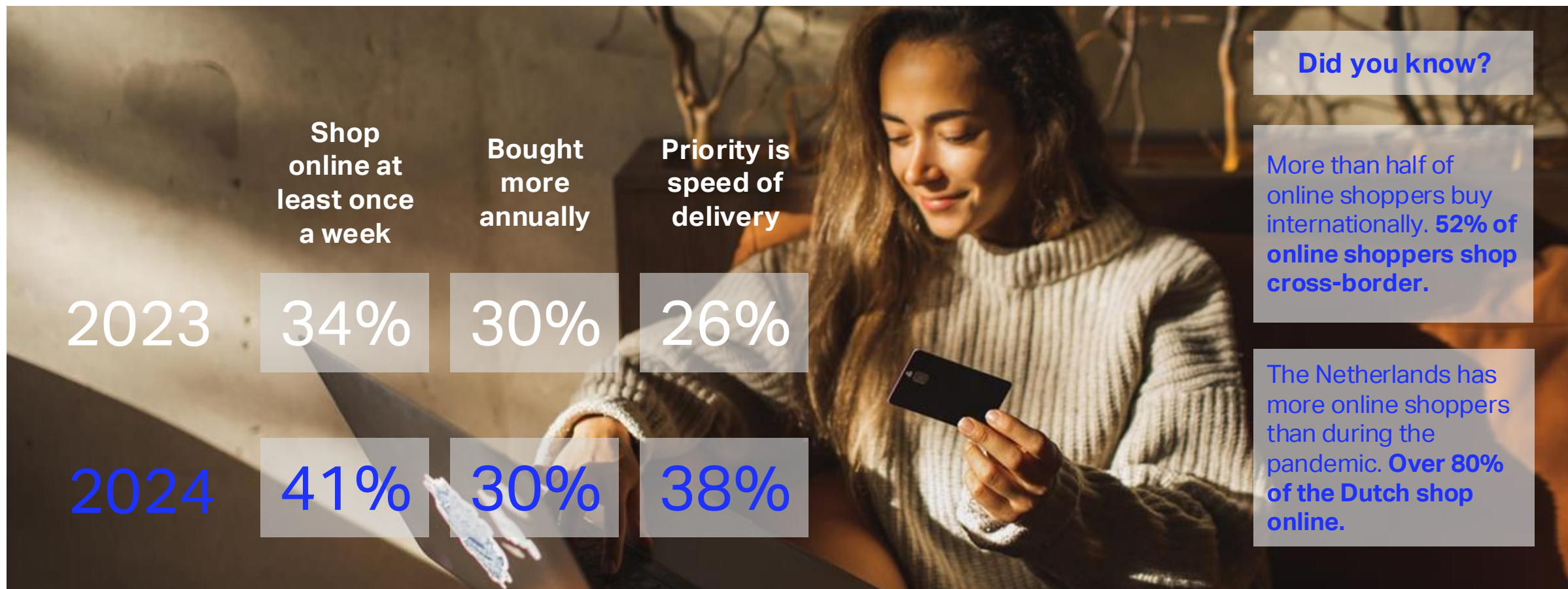
The Power of Consumer

2.71 billion persons
were shopping
online in 2024

In times of crisis, pandemic,
wars or supply chain
disruptions, Consumers'
search for better deals.

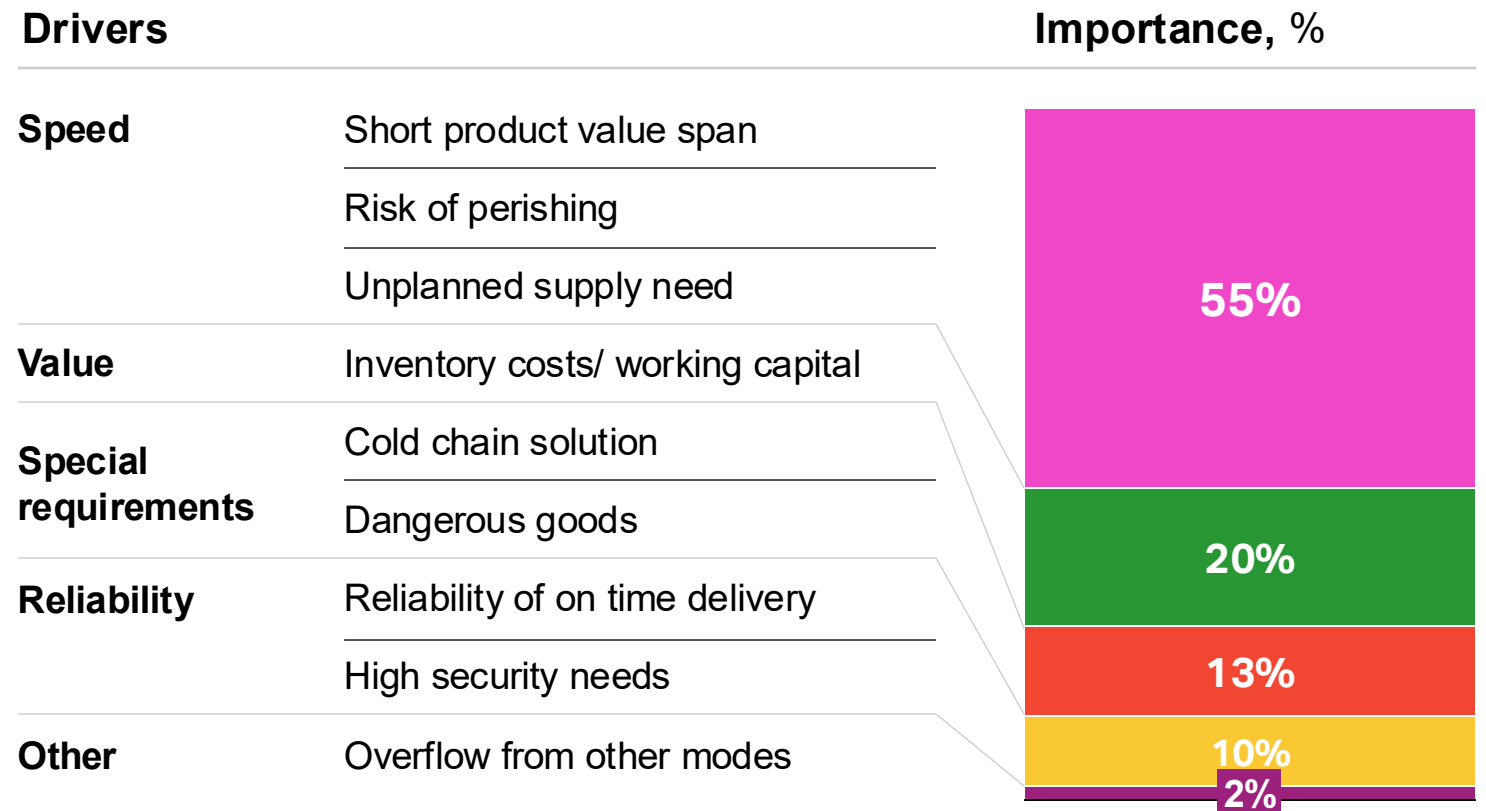


Add to Cart: Shoppers are taking over



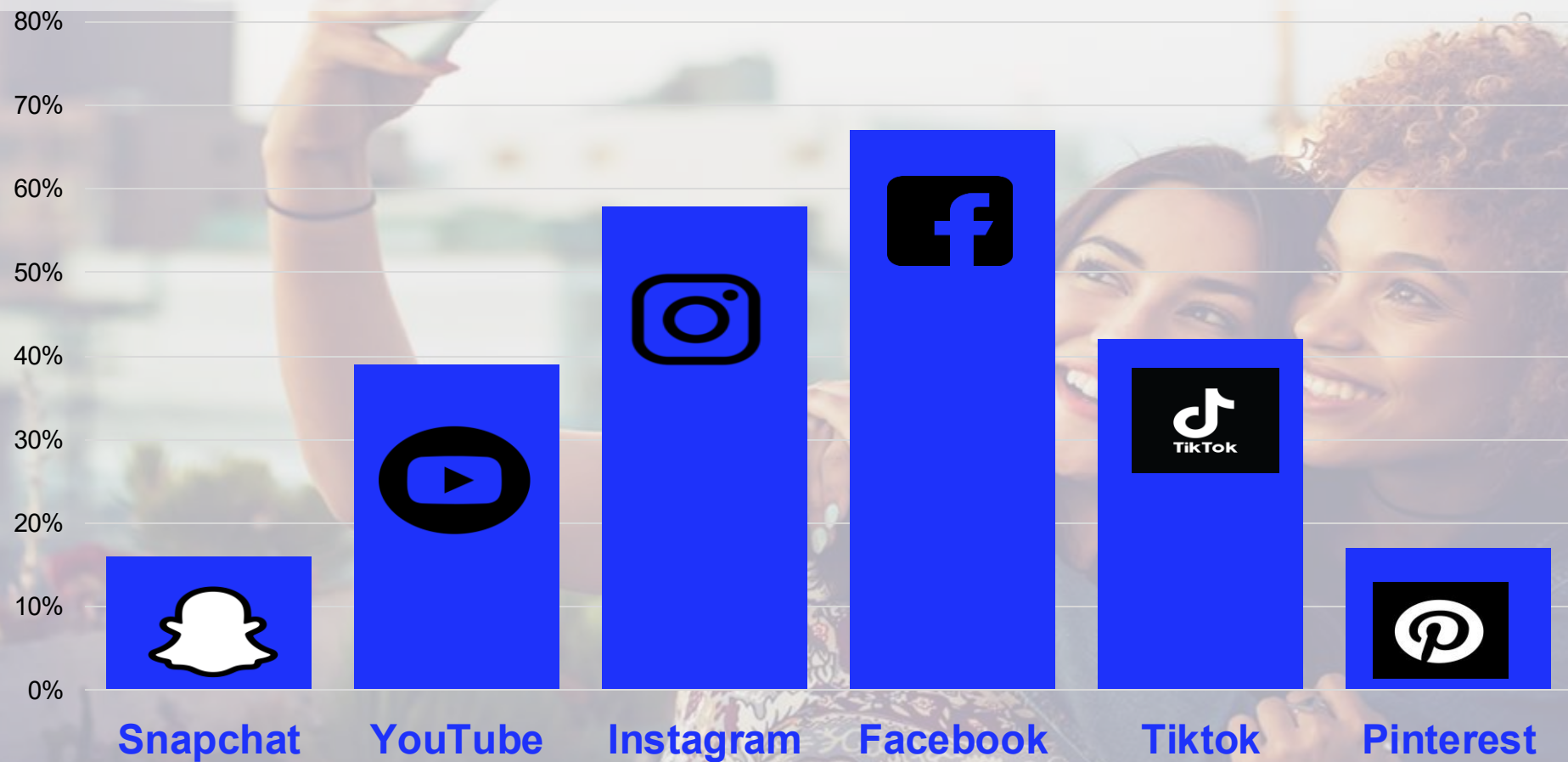
Air freight is used despite 10-20x costs of other modes because...

Reasons for using airfreight remain valid

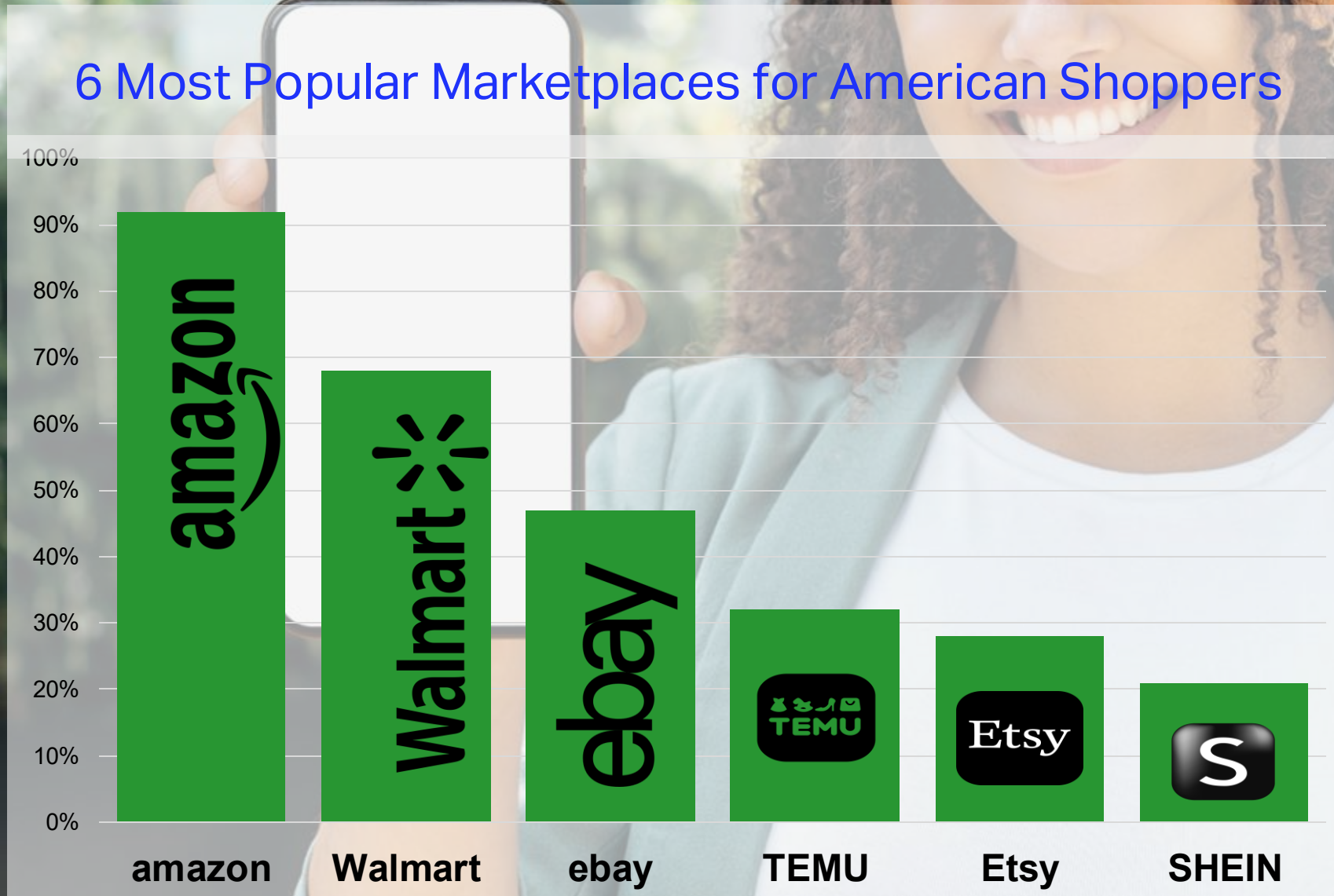


The Rise of M-Commerce

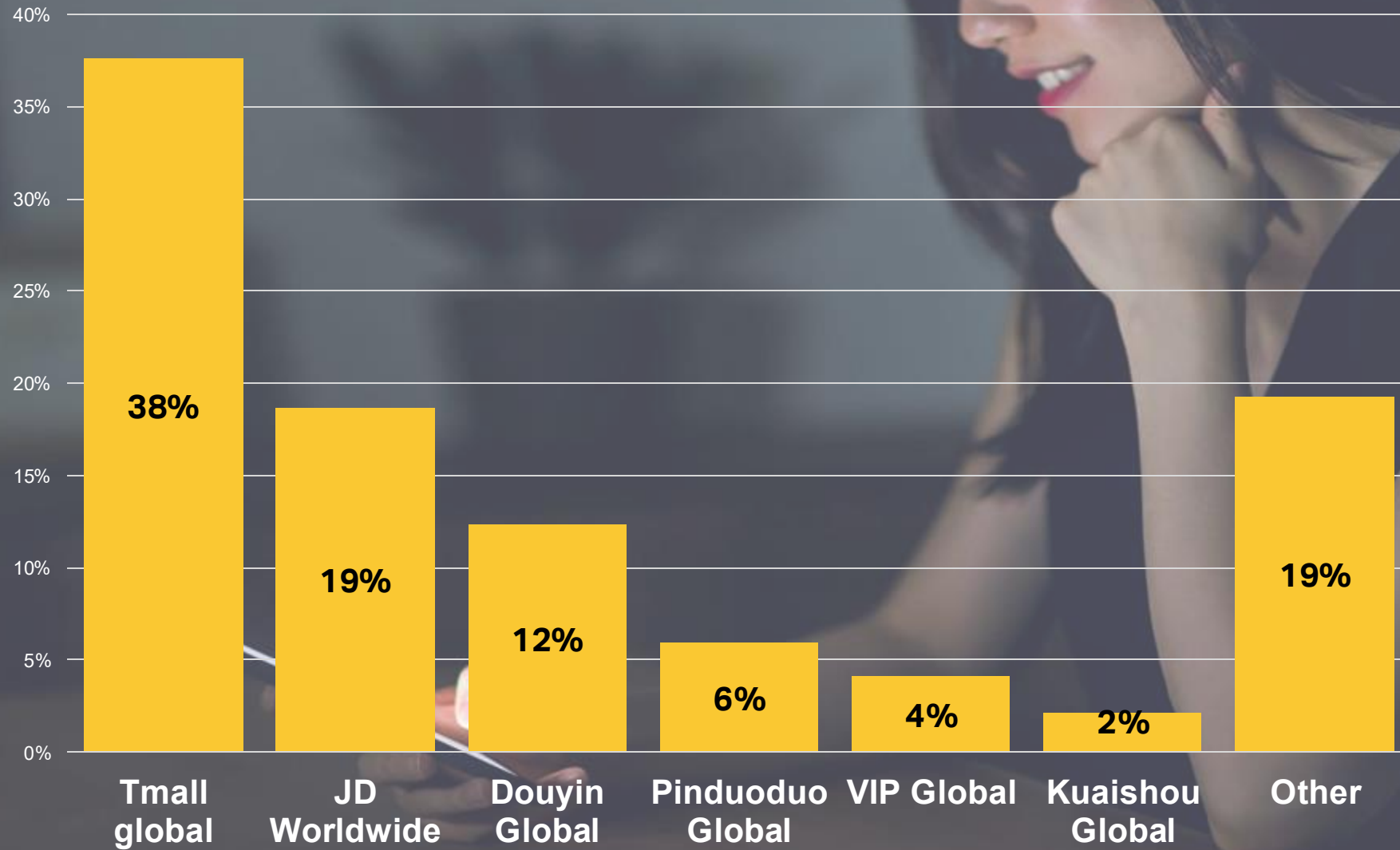
Go-to Platforms of Social Media Shoppers



Top Cross-Border Platforms in the USA



Top Cross-Border Platforms in China



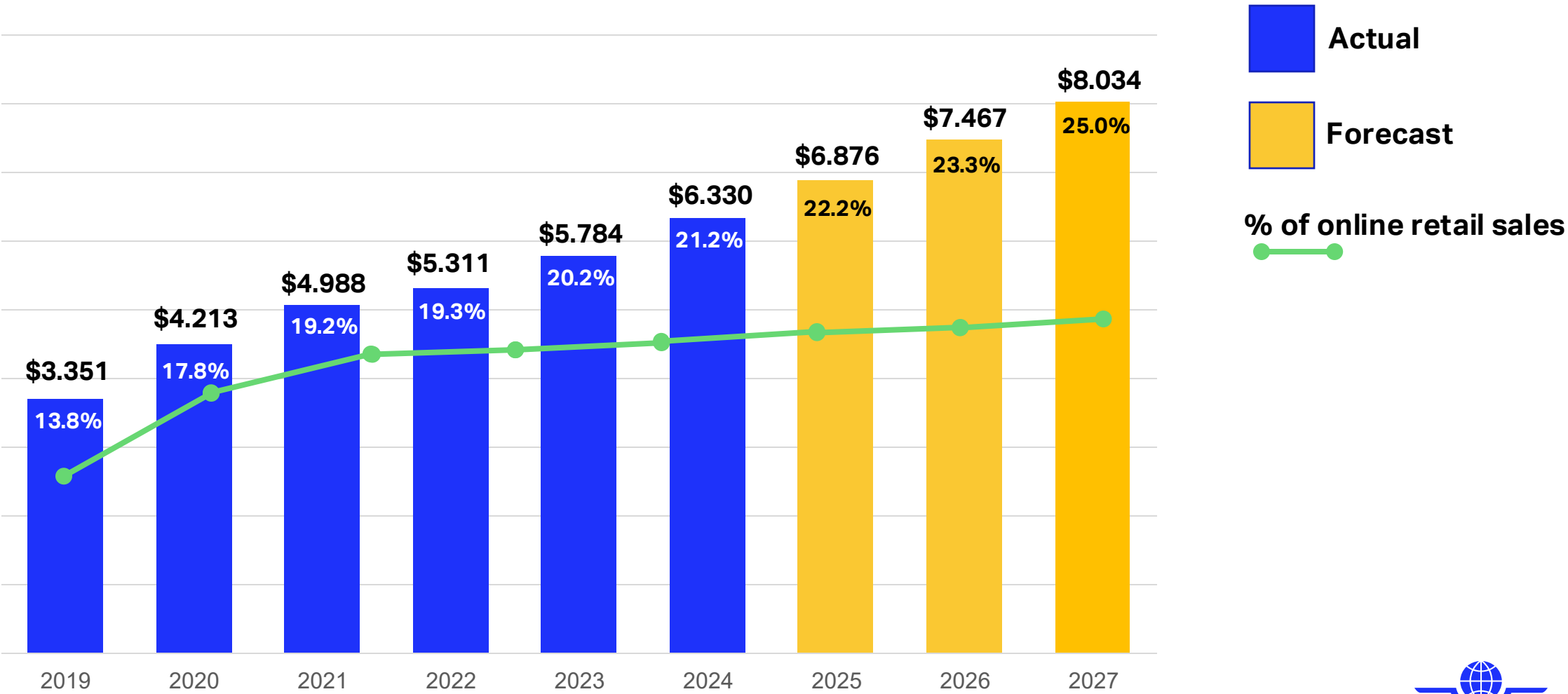
TDM	729.89	915.51	185.62▲25.43%	FLR	660.27	745.28	85.01▲12.88%
HUM	749.73	924.29	174.56▲23.28%	UVD	155.59	181.57	25.98▲16.70%
DMW	833.72	1004.01	170.29▲20.43%	QUV	440.55	540.21	99.66▲22.62%
YZJ	903.49	1127.46	223.97▲24.79%	HZT	285.51	344.98	59.47▲20.83%
GLY	982.07	1219.39	237.32▲24.17%	PCW	811.44	1029.66	218.22▲26.89%
VDA	113.74	143.41	29.67▲26.09%	AIK	361.77	451.39	89.62▲24.77%
UVV	468.08	535.41	67.33▲14.38%	ZJJ	858.36	994.57	136.21▲15.87%
HJS	545.49	659.05	113.56▲20.82%	RHJ	894.79	1046.68	151.89▲16.97%
EQC	566.96	664.69	97.73▲17.24%	VGV	425.08	509.95	84.87▲19.97%

PPJ	912.63	1038.36	125.73▲13.78%	ZBK	391.59	491.48	99.89▲25.51%
UAQ	1309.55	1655.62	346.07▲26.43%	BNY	969.21	1130.65	161.44▲16.66%
DAQ	1295.17	1641.66	346.49▲26.75%	SDM	735.44	913.39	177.95▲24.20%
PNR	654.33	775.84	121.51▲18.57%	TQJ	1323.91	1646.42	322.51▲24.36%
ZFM	751.53	909.13	157.60▲20.98%	QIS	543.42	667.24	123.82▲22.79%
TTM	1455.17	1823.16	367.99▲25.29%				

eCommerce outlook

Worldwide eCommerce Retail Sales – Still Growing

2019-2027 (Trillion USD)



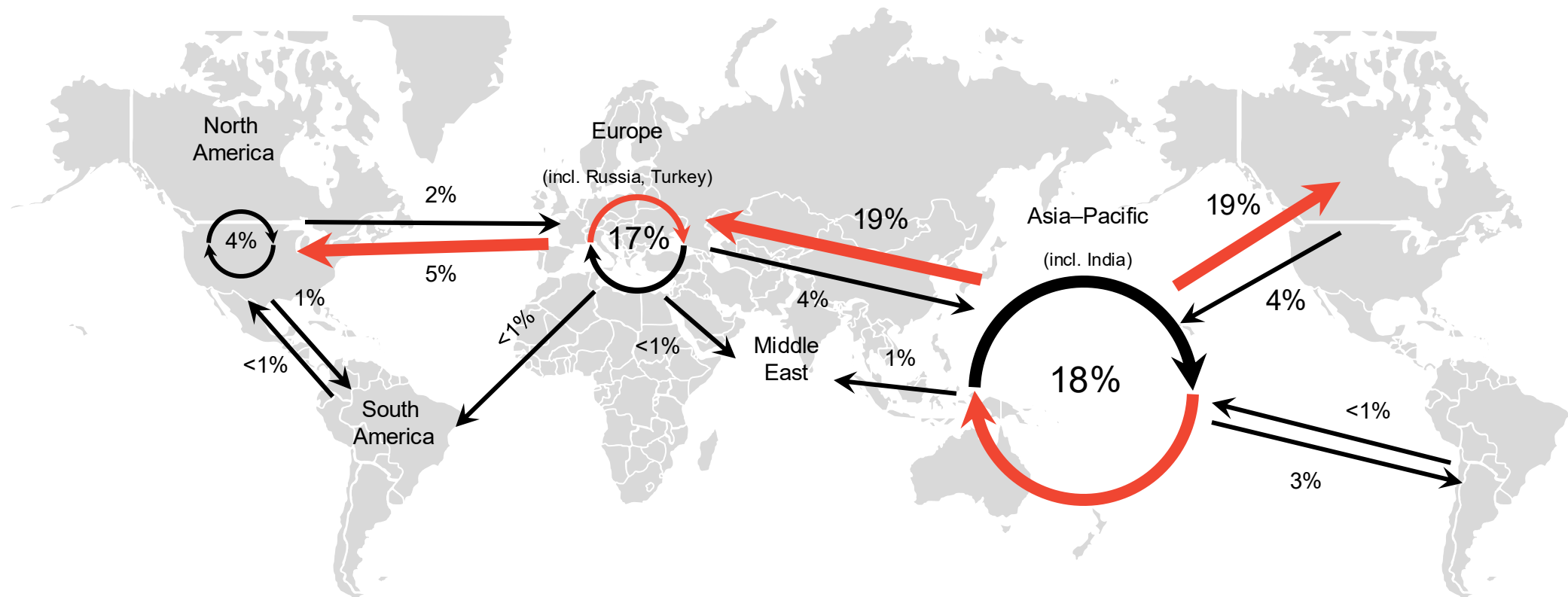
8.2 bn cross-border eCommerce orders

60% are X-Border

Estimated cross-border e-commerce order volume, 2022

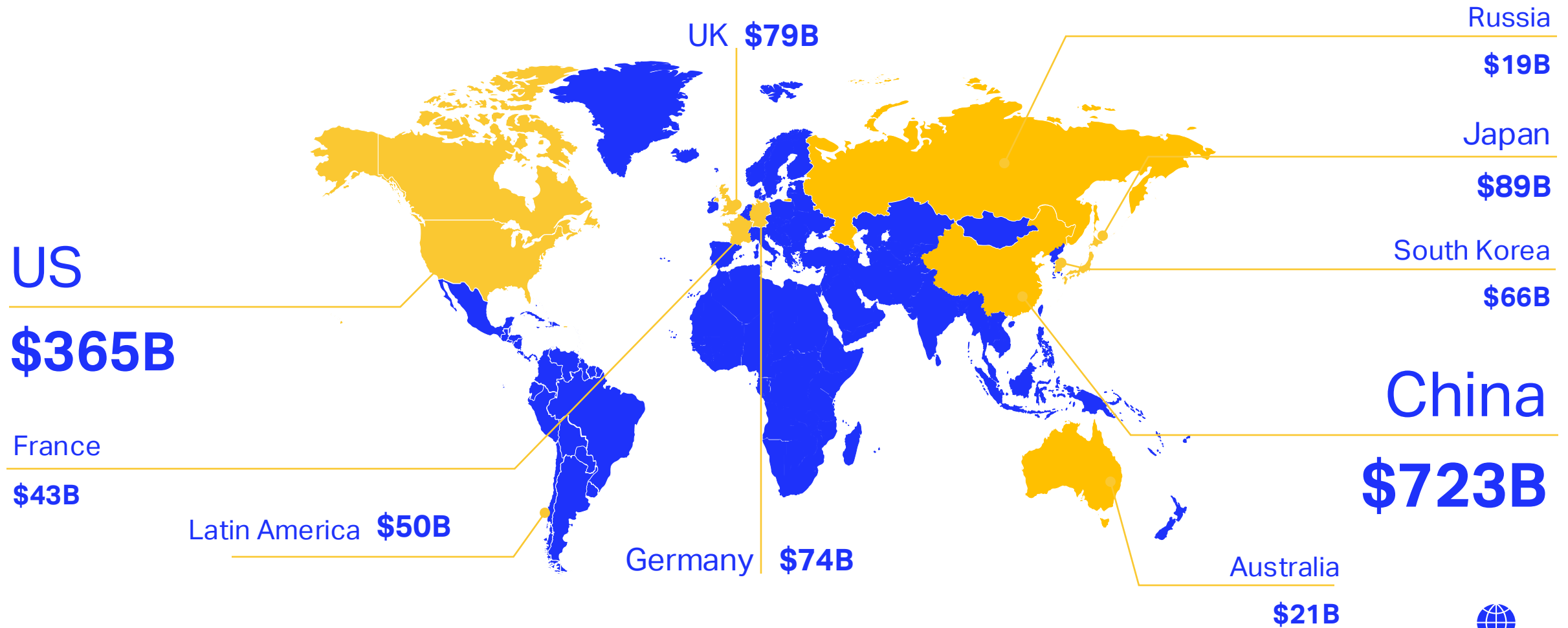
~**8.2** billion orders annually¹

→ Percentage of total trade → Top 5 trade lanes ↻ Intra-regional



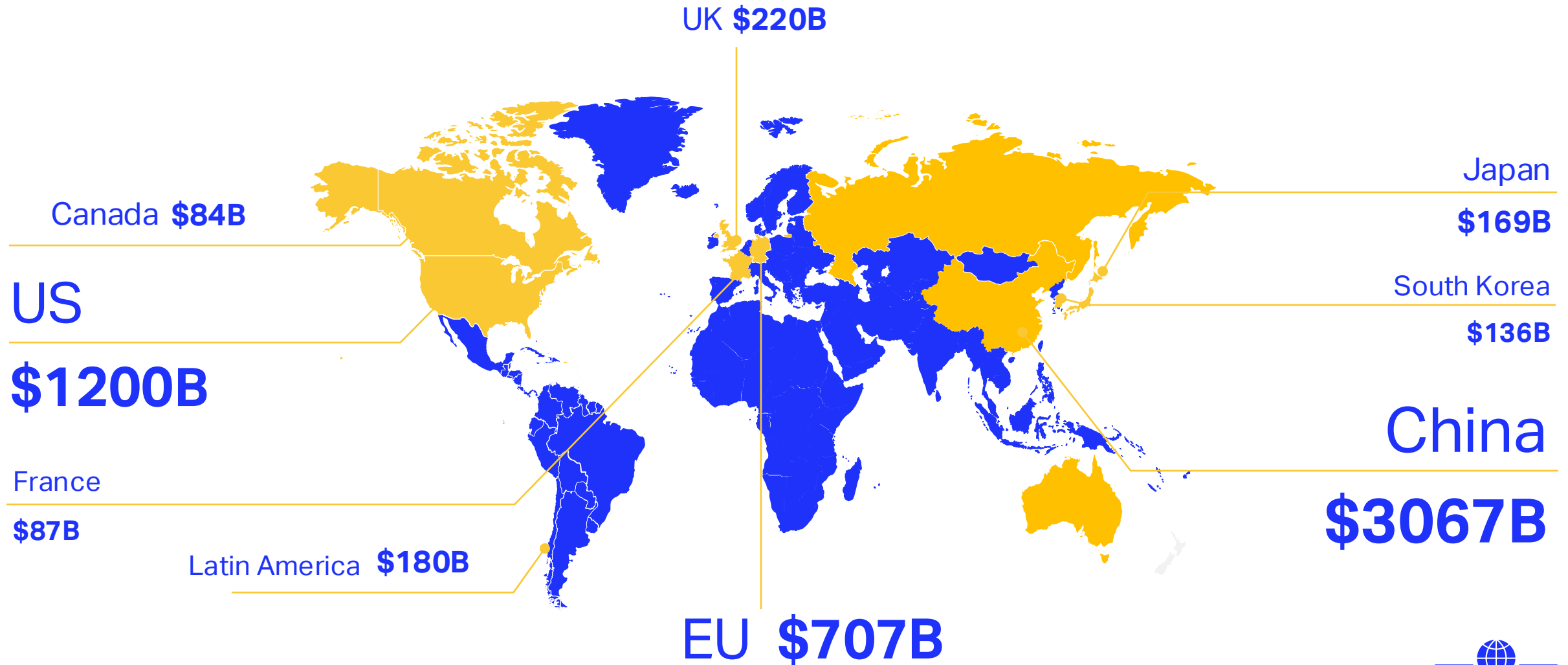
E-Commerce snapshot in 2019

3.351 Trillion USD



E-Commerce snapshot in 2024

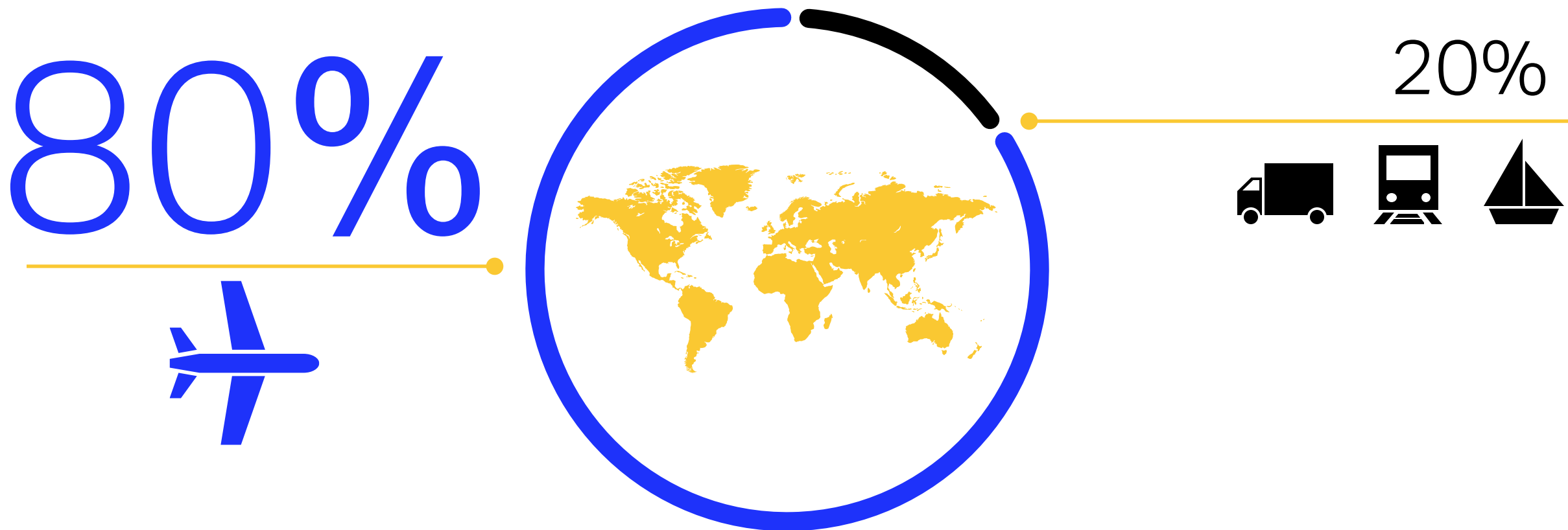
6.330 Trillion USD





Cross-border B2C - 2024

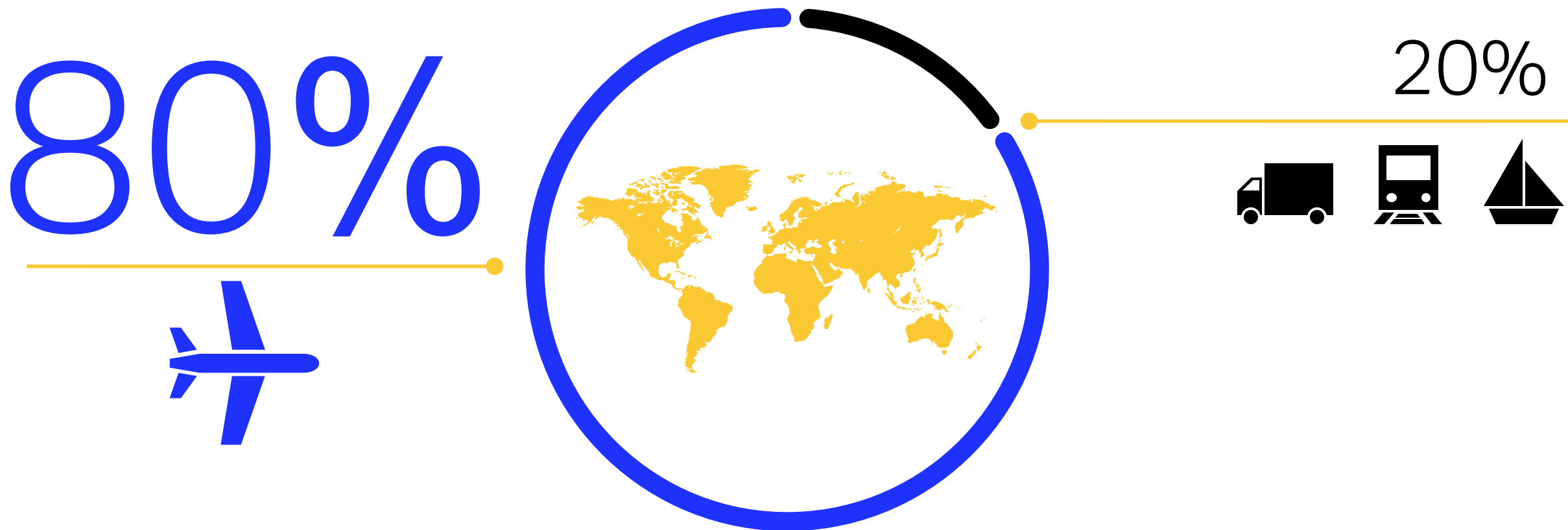
Air cargo is built for eCommerce



In 2024, more than 1 package out of 5 was bought online (22%)

Cross-border B2C – 2027

Air cargo is built for eCommerce

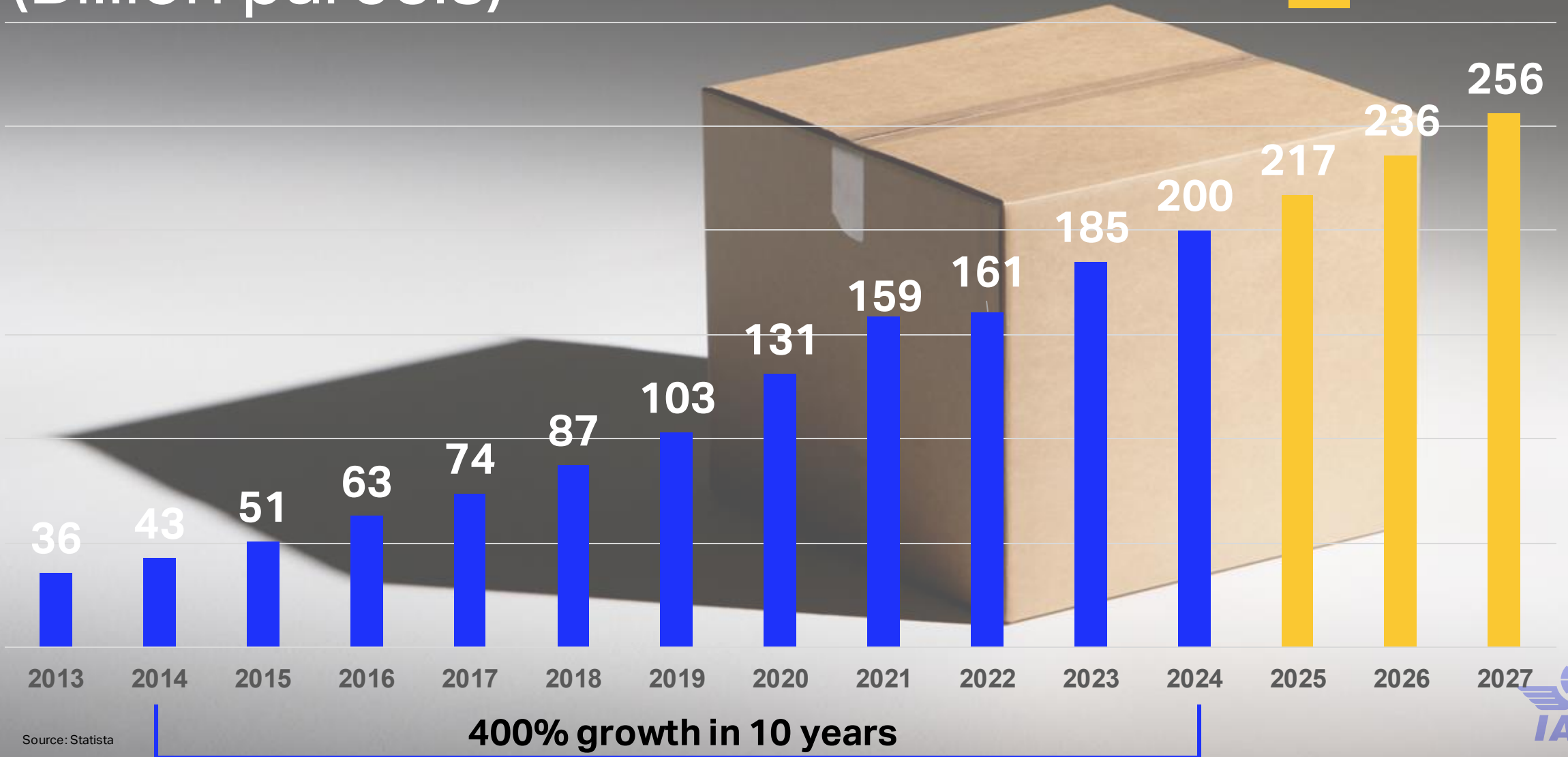


In 2027, 1 package out of 3 is forecasted to be bought online (30%)

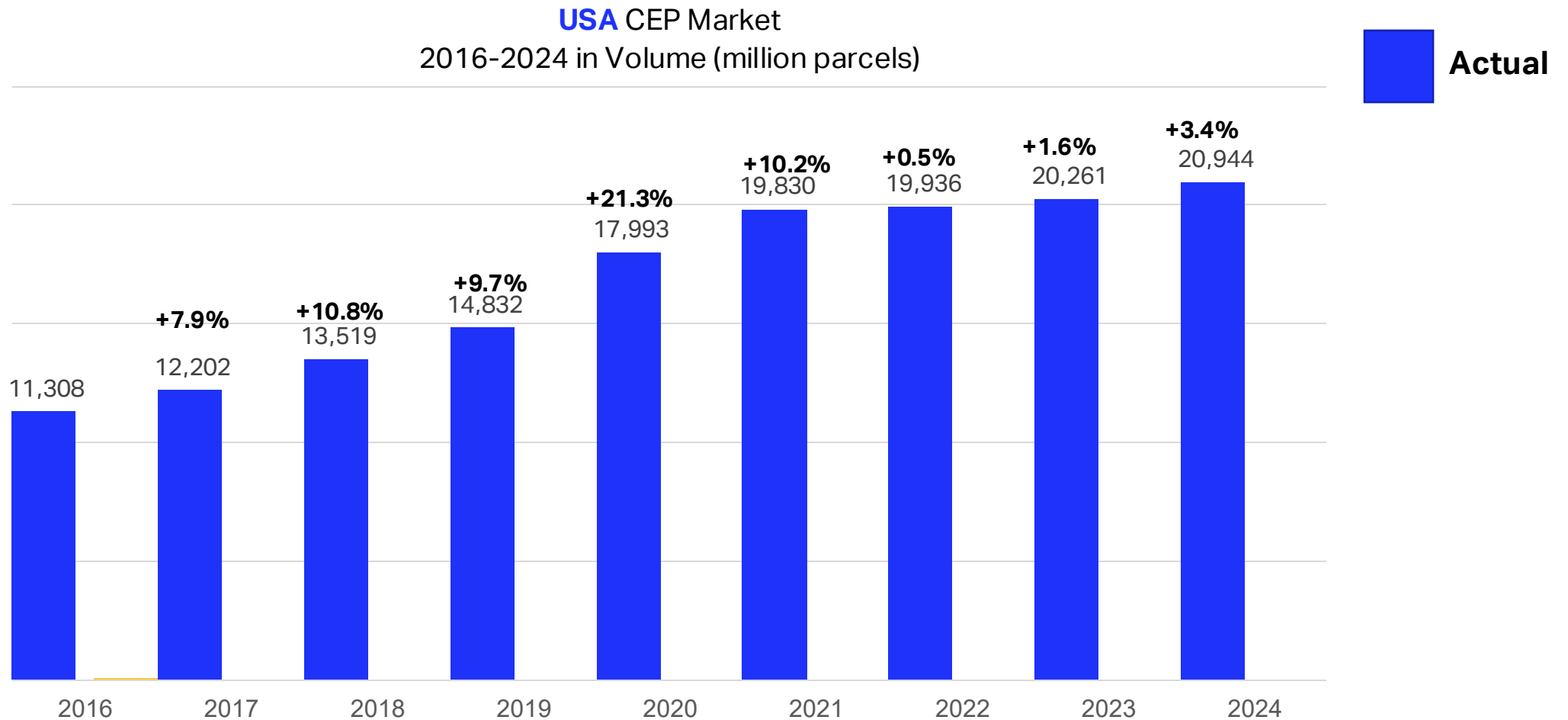
eCommerce parcels players

Evolution of Parcel Shipping (Billion parcels)

Actual
Forecast

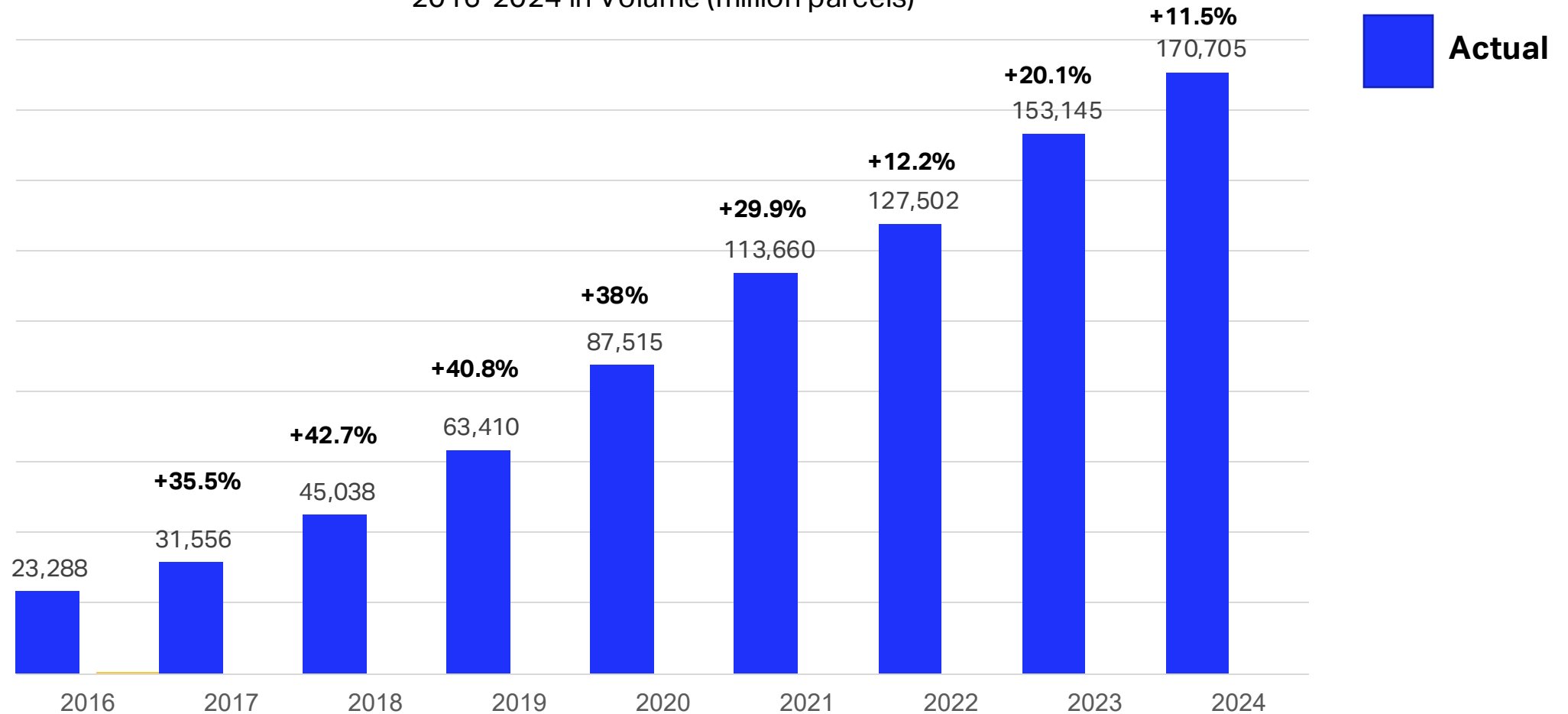


The eCommerce Tsunami of Parcels - USA



The eCommerce Tsunami of Parcels - China

China (incl. Hong Kong) CEP Market
2016-2024 in Volume (million parcels)

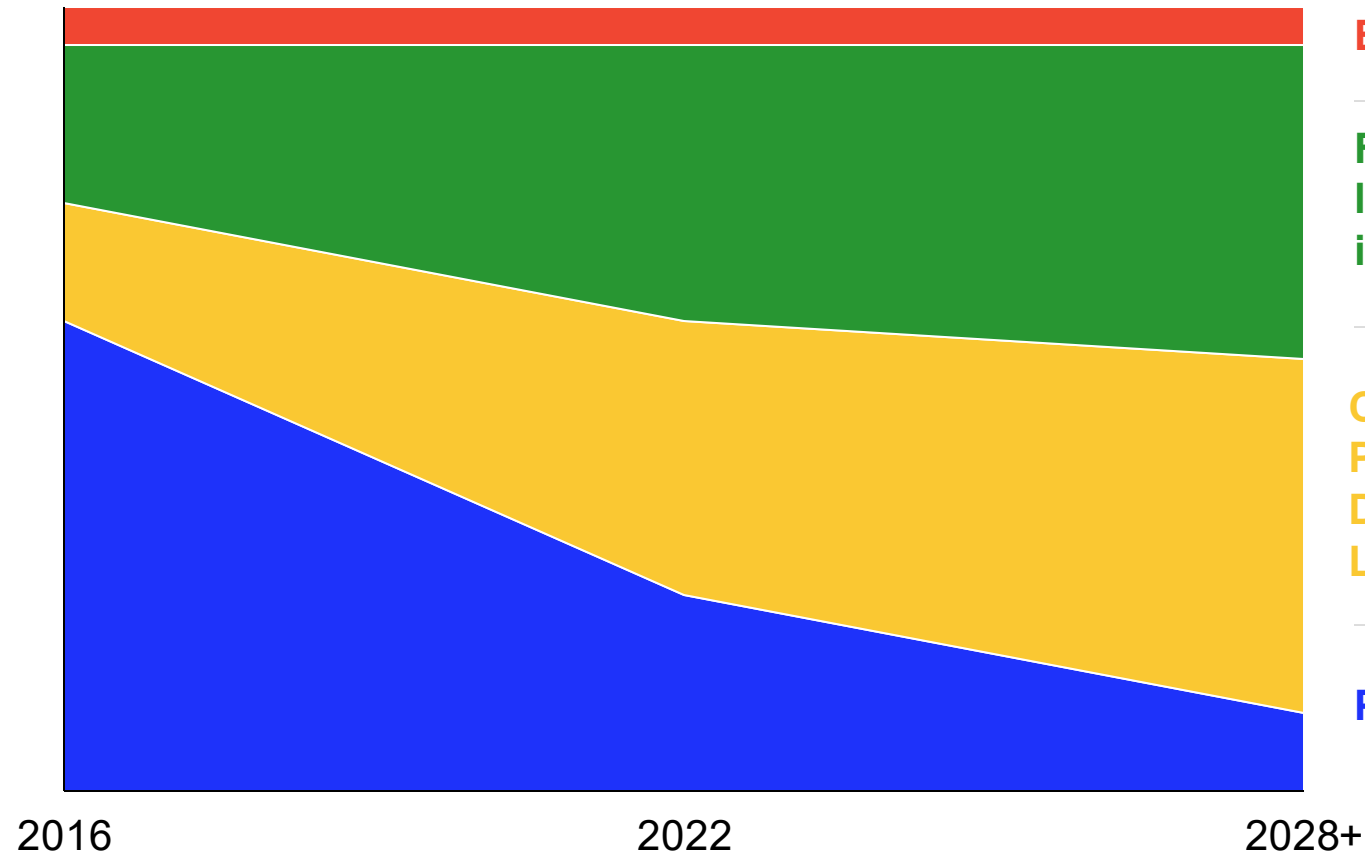


XB e-commerce parcels use 4 main channels

(with growing trend towards commercial parcels and forward inventory)

Cross-border by speed / delivery provider¹

% of volumes, estimates



Express



FedEx



Forward-located inventory



Commercial Parcel / Direct Lane



Postal



Your strategy for eCommerce



Air cargo models & e-tailers (iata.org/ecommerce)

Owned and fully dedicated air transport capabilities

Firms reduce their dependence on 3rd party carriers, limiting risks and increasing margins.

Air freight shippers

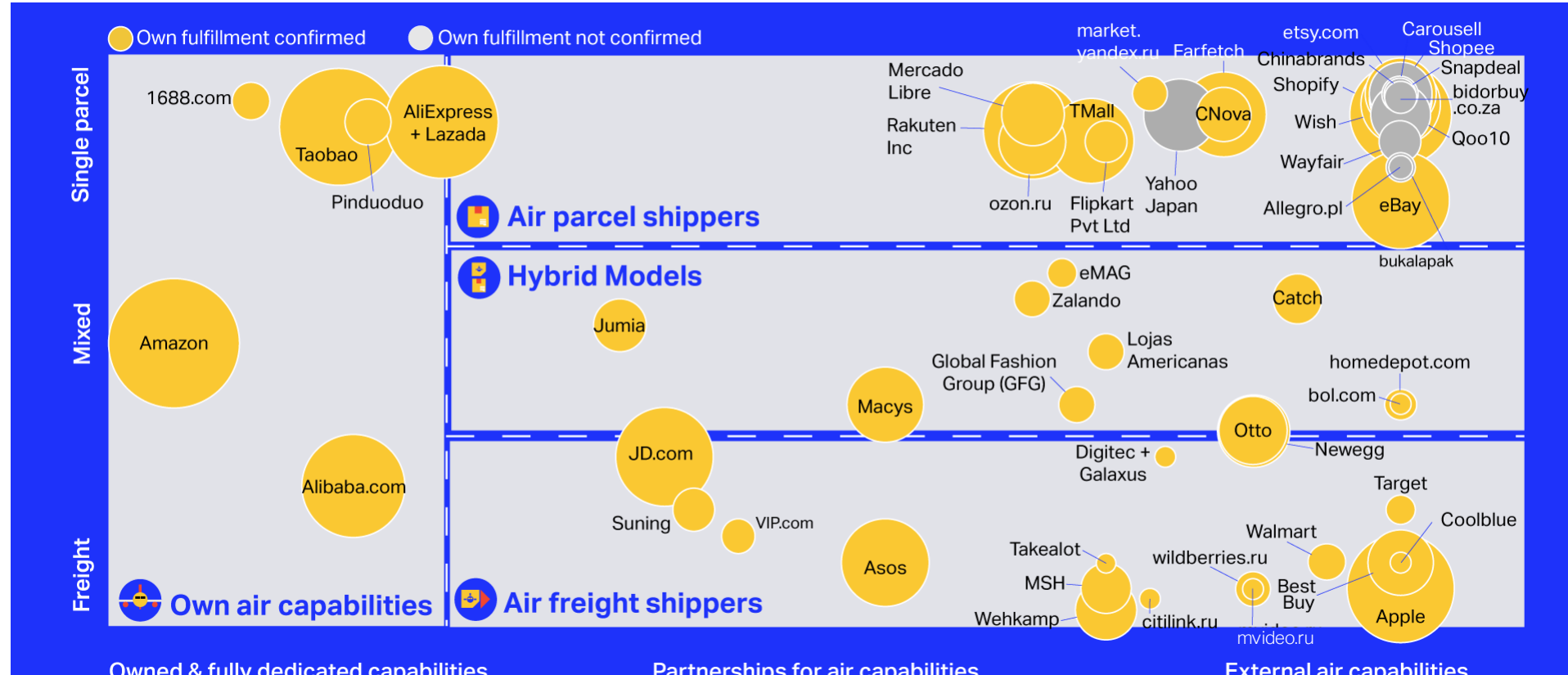
Companies move the goods to fulfillment centers in freight format and perform local ground distribution in the destination country

Hybrid model

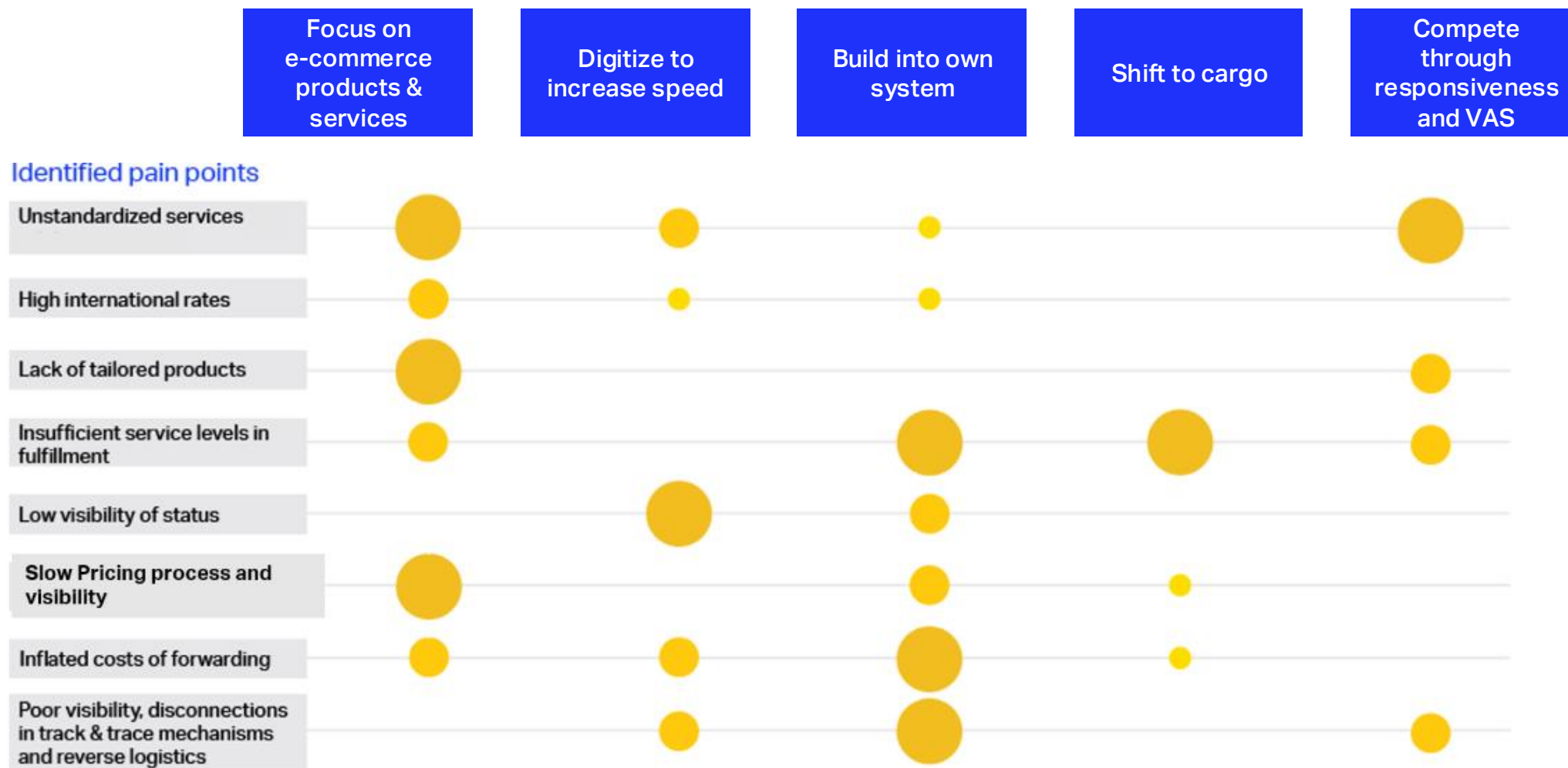
Mixed-use of internal and external capabilities to move freight to fulfillment centers, and also shipping of single parcels to consumers via air cargo

Air parcel shippers

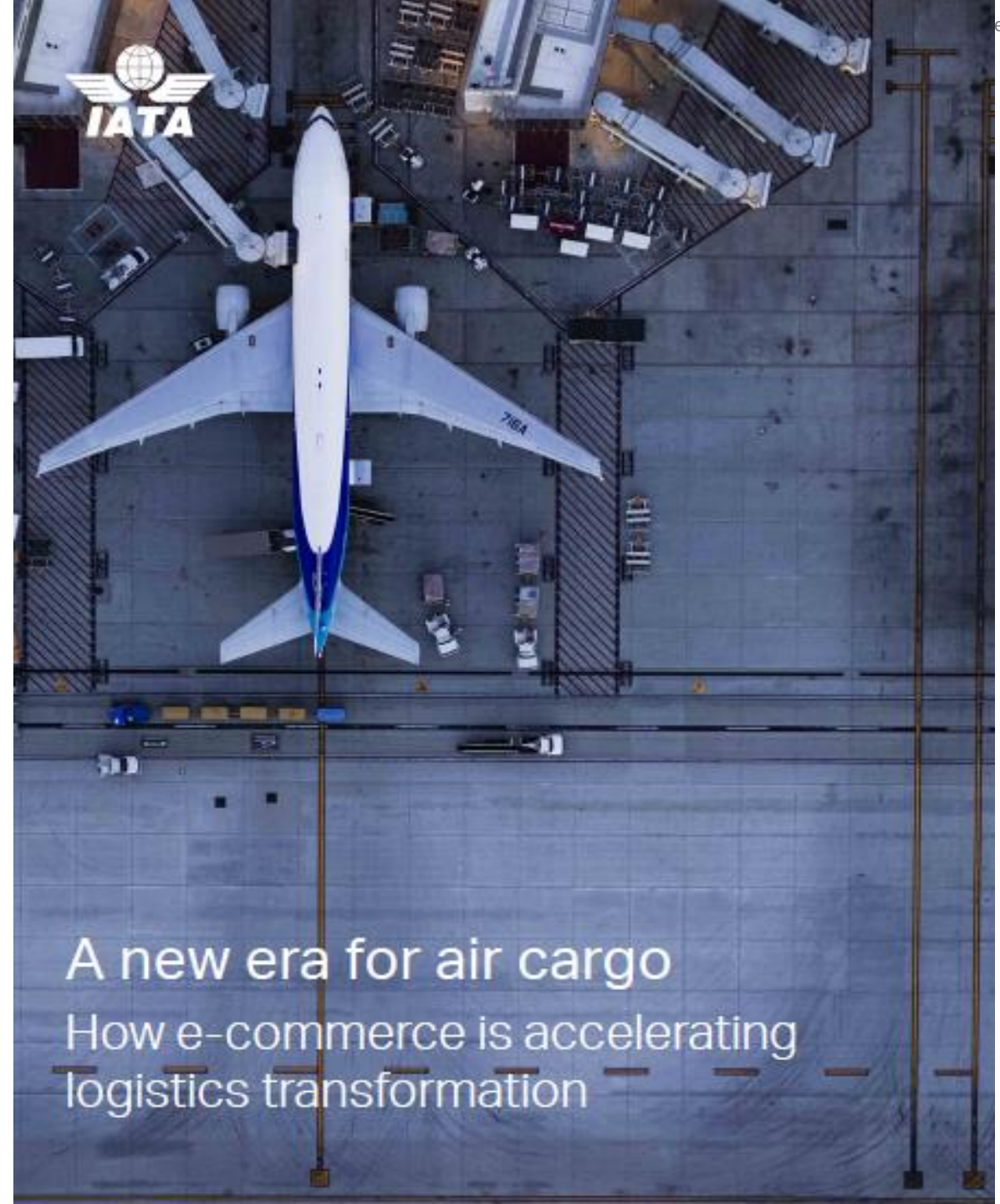
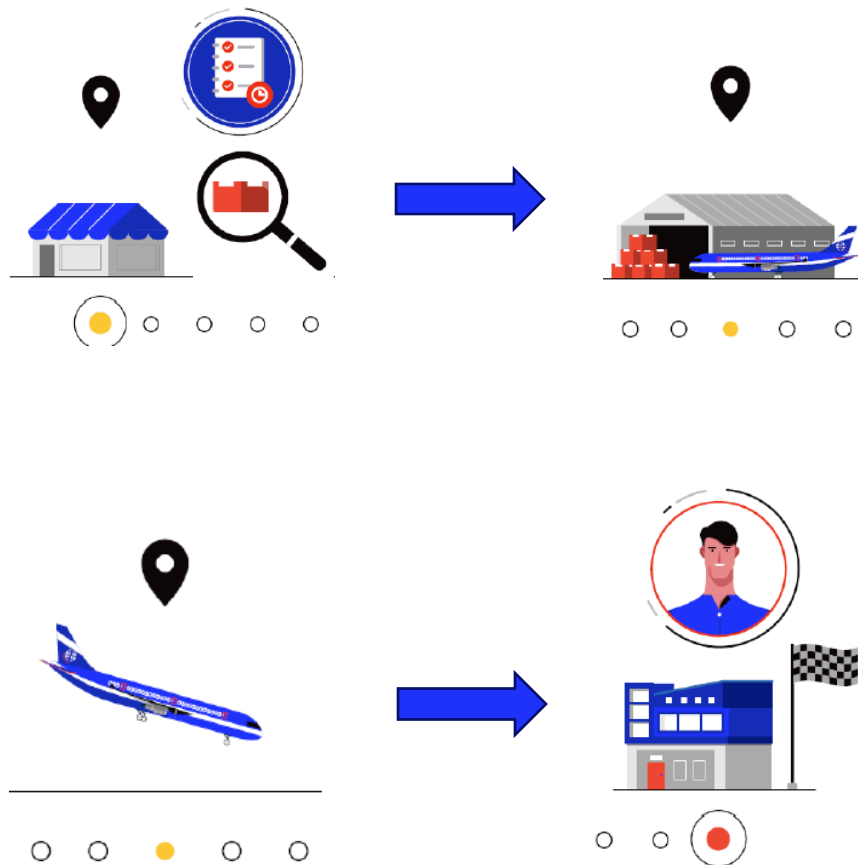
Firms rely on standard Courier-Express-Parcel & airmail. It is common for marketplaces due to their high dispatch fragmentation



Five strategies for transformation (iata.org/ecommerce)



Transform to build a robust air cargo strategy

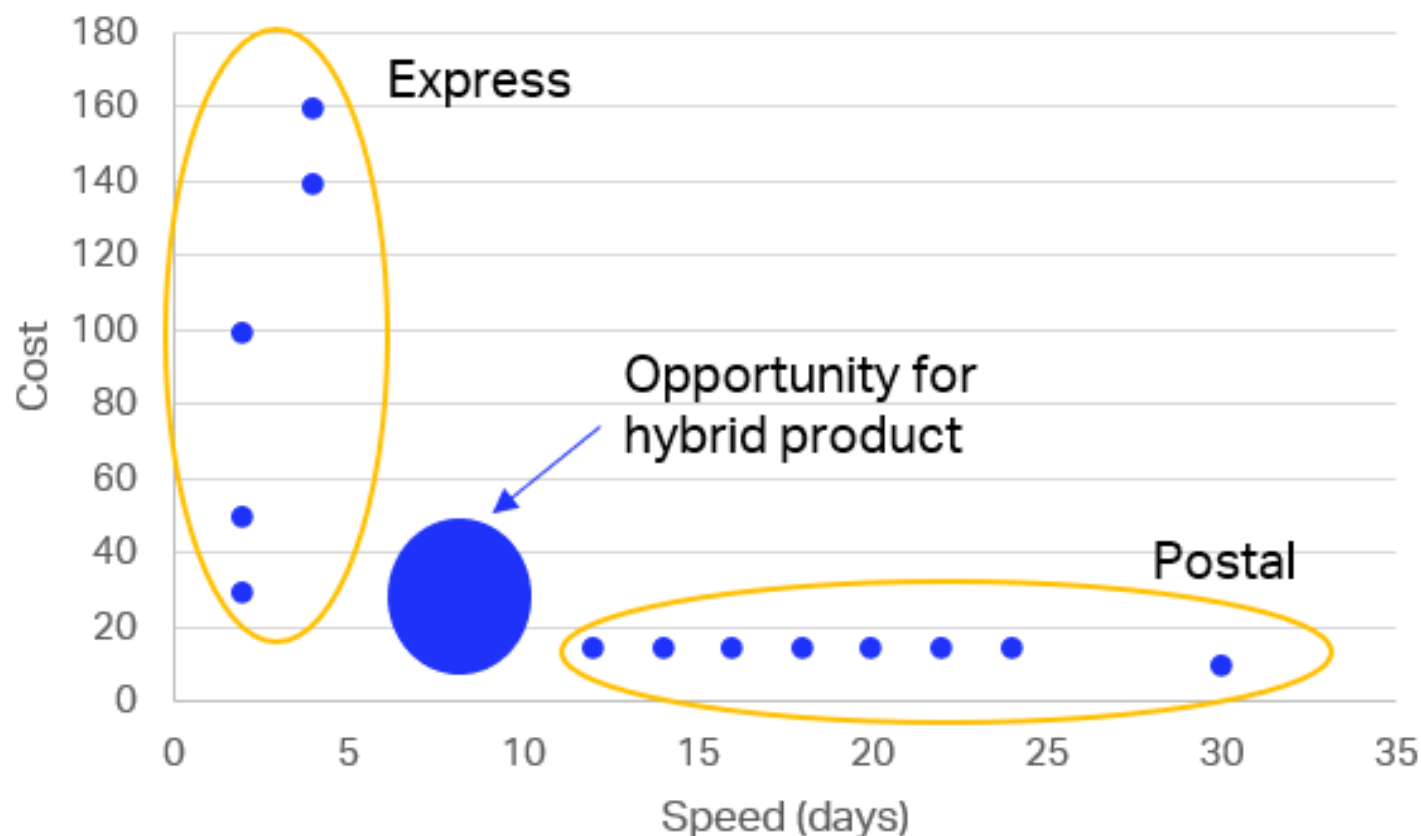


eCommerce & Logistics - Hybrid Solutions

Within a decade we have witnessed the emergence of diverse solutions to capitalize on e-Commerce.

At the eCommerce session held in Istanbul, at the WCS 2023, 70% of the delegates were in favor of creating a SHC code for eCommerce.

But the question is, what are the benefits?



Source: DHL, Forbes

Need for Speed? Need for Visibility.

Creating an "*ECM*" Special Handling Code for eCommerce Shipments

Benefits

a. Operational Visibility and Optimization

Airlines and handlers gain insights into volumes and trade lanes.

Supports investment decisions in automation (e.g., sorters, ULD, robotics).

Enables capacity planning and routing optimizations.

b. Enhanced Safety and Risk Management

Enables targeted monitoring of lithium battery shipments and unregulated shippers.

Improves compliance with ICAO and IATA safety standards.

Need for Speed? Need for Visibility.

Creating an "*ECM*" Special Handling Code for eCommerce Shipments

Benefits

c. Regulatory and Customs Efficiency

Customs authorities can pre-identify eCommerce shipments for automated clearance.
Reduces broad-brush inspection delays, avoiding disruption to compliant cargo.

d. Customer-Centric Service Innovation

Enables eCommerce SLAs: guaranteed delivery timelines, better transparency.
Encourages collaboration with last-mile and fulfillment players.

eCommerce Priorities





STA 2046

STA 2046

STA 2000

STA 2000

STA 1920
STA 1900

STA 1900
STA 1920

PL/ML

MR/PR

Applying the Air Cargo Industry Priorities



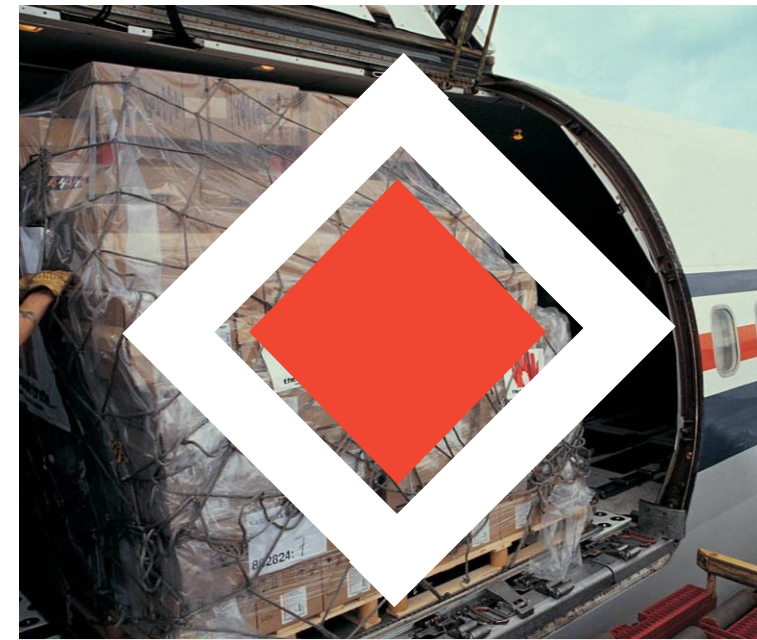
Digitalization

Move from the 50 years old legacy messaging standard to ONE Record, a data-sharing approach based on web APIs.



Sustainability

Support industry Net Zero commitments, increase efficiency and reduce waste in air cargo operations



Safety & Security

Securing and facilitating cross-border movements.

From Operational Efficiency to Excellence

- Applying the right processes in your daily operations to maximize your efficiency
- Quality and consistency
- Considerations in building your Cargo Facility of the Future
- Capitalizing on innovations and new technologies for your customers' experience and optimization



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Air Cargo is Built for eCommerce.

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The screenshot displays the IATA website's navigation and content. At the top, the IATA logo is on the left, and a search bar is on the right. Below the logo, a horizontal menu includes 'ABOUT US', 'CAREERS', and 'CONTACT & SUPPORT'. A secondary menu features 'PROGRAMS' (highlighted in red), 'POLICY', 'PUBLICATIONS', 'SERVICES', 'TRAINING', 'EVENTS', and 'PRESSROOM'. The user 'You & IATA' is logged in at the top right. The breadcrumb trail reads: 'Programs > Cargo > Cargo Operations > E-Commerce & Logistics'. The main heading is 'E-Commerce & Logistics'. Below it, a paragraph states: 'E-Commerce has revolutionized the way we do logistics. With online businesses and consumers requesting fast deliveries, operating models had to evolve to speed up transportation.' This is followed by another paragraph: 'Air cargo is naturally suited for this logistic challenge: IATA estimates that e-commerce represented 15% of air cargo volumes in 2019. This number is continuously growing, and the trend has accelerated during the COVID-19 pandemic. IATA helps the air cargo industry to capitalize on the growth of e-commerce.' A list of links follows: 'Read the June 2021 IATA e-Commerce Monitor (pdf)', 'Read the March 2021 IATA e-Commerce Monitor (pdf)', and 'Read the December 2020 IATA e-Commerce Monitor (pdf)'. A horizontal tab bar shows 'VISION' (active), 'TRANSFORMATION', and 'IATA PROGRAMS'. The sub-heading is 'Air cargo serving e-commerce', followed by a paragraph: 'Air cargo is an essential component of cross-border e-commerce. IATA works to advise the industry and their understanding of the opportunities and challenges that exist. IATA also ensures the air cargo industry has the right regulations, standards, and global framework to offer the right logistics solutions for the industry.' A yellow-bordered box contains a list of publications: 'IATA e-Commerce Monitor for Online Retailers (pdf) June 2021', 'IATA e-Commerce Monitor for Air Cargo Airlines (pdf) February 2021', 'IATA e-Commerce Monitor for E-commerce (pdf) December 2020', 'IATA e-Commerce Monitor for Operations (pdf) November 2020', and 'IATA e-Commerce Monitor for Logistics (pdf) October 2020'. On the right side, there are three promotional boxes: 'Need Help? Contact us', 'WHAT IS YOUR OPINION? Global Passenger Survey', and 'Sign up to the E-Commerce Monitor'. Below these is a 'Related Links' section with a 'ONE Source' logo and links to 'IATA e-Commerce Monitor - June 2021 (pdf)', 'IATA e-Commerce Monitor - March 2021 (pdf)', and 'IATA e-Commerce Monitor - December 2020 (pdf)'. The IATA logo is at the bottom right.

