



## FASHION CRITICAL LOGISTICS

### CASE STUDY

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A leading luxury goods company had multiple high profile marketing shipments moving daily between Paris, London, Milan, New York and Los Angeles. They chose Expeditors to ensure their apparel, footwear and accessories arrived in the right place at the right time for photo shoots, award shows or press events. Expeditors guided each brand through customs and trade compliance requirements, enhancing the brand's reputation with Customs and reducing the amount of duty they pay.



## OPPORTUNITY

The fashion brands in this luxury group are located in separate buildings throughout Paris and were managing their marketing shipments independently of one another. When a request came in from one of their marketing offices, each team focused solely on getting the requested items to the event on time. The teams' focus on international transportation companies with the shortest published transit times resulted in the brands paying over \$1 million in annual customs duty which could have been avoided or reclaimed. Other short cuts in their service providers' customs and trade compliance programs were damaging the brands' reputation with customs authorities and other governmental agencies in both the USA and France.

Expeditors identified an opportunity to provide the luxury group's brands with:

1. Comparable transit times to their existing provider.
2. World-class customer service for their marketing offices and partners.
3. Significant savings in customs duties.
4. Ability to rebuild their compliance program and reputation with customs and other government agencies in both the USA and France.

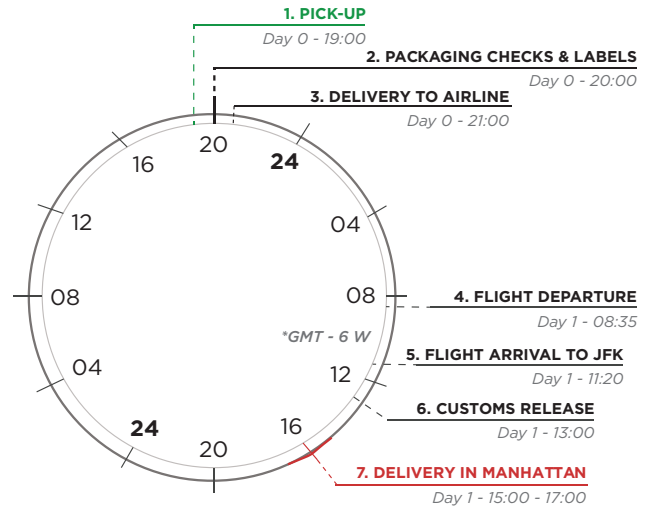
## OUR SOLUTION

Expeditors' manages every marketing shipment through dedicated teams in Paris and New York. These teams specialize in time critical logistics services. As the central point of customer service for the brands marketing offices, they are responsible for:

1. Ensuring all items picked up in Paris or New York are delivered no later than 17:00 the following day.
2. Managing the return of the items back to the brands after the publicity event.
3. Coordinating trade compliance and, whenever possible, reclaiming customs duty paid.

## PARIS TO NEW YORK SHIPMENTS

\*JFK is 6 hours behind CDG



## THE CALL

A typical shipment begins with a brand's marketing office calling or submitting a pick-up request through our online booking tool, exp.o® Booking. This automatically assigns a unique reference number to each shipment which the brand can use to track the shipment online or via our mobile app.

The brands' teams are able to submit shipment bookings 24/7. All bookings submitted by 18:45 are physically collected from their offices at 19:00. Earlier or later pick-ups and 'hand carries' are routinely arranged upon request.

Shipments originating in Paris are transported directly to Expeditors' office at Charles de Gaulle Airport where the physical integrity and security of the cartons are checked. Any branding on the cartons is concealed and shipping labels are attached. All shipments are then delivered by 21:00 to the airline's express handling facility.

Items destined to events in the U.S. are shipped on direct flights leaving the next morning to ensure the items arrive at destination before midday. Expeditors' teams prepare the customs entries prior to the arrival of the flight. Shipments are routinely cleared by customs and promptly released by the airline for same day delivery, which results in the shipments arriving in New York by 15:00.

Expeditors' teams in Paris and New York monitor each shipment and maintain close contact with the recipient and the marketing office. Last minute changes to the time and place of delivery are common. Expeditors'

teams validate any rerouting requests with the brand’s marketing office before revising the delivery. The marketing office and the recipient experience flexibility, responsiveness, and the highest levels of customer service during the entire shipment life cycle.

**ROUTES**



**RETURNS**

After the publicity event, Expeditors arranges the items’ return to the brand. Pickups are often from photo studios, stylists, or even directly from a celebrity. Shipping cartons are provided as needed and a tracking reference number is assigned to each shipment. Expeditors requests photos of the items being picked up and validates with the brand’s marketing office that all items expected are present and correct. At the time of pickup and before the cartons are sealed, the driver uses these photos to ensure all items are being returned.

Expeditors’ team works with the brand’s marketing office to ensure the proper paperwork accompanies the items and arranges secure transportation back to the brand’s offices in New York, Paris, or Milan.

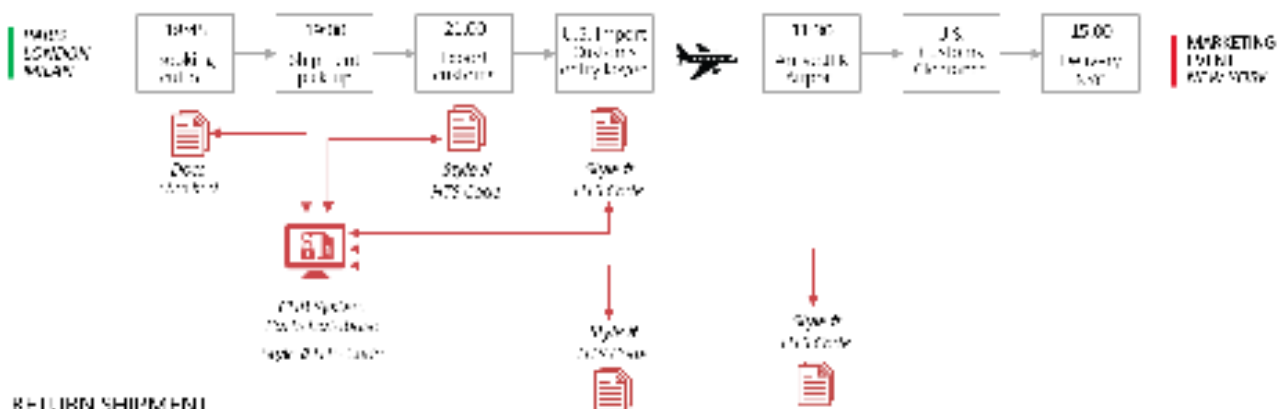
Integrated into Expeditors’ operational processes are steps that enable high levels of customs and trade compliance. These steps ensure:

1. Shipments are not unnecessarily delayed by customs
2. The brands build and maintain a good reputation with customs authorities and other governmental agencies, such as the U.S. Fish & Wildlife Service.
3. The mechanism through which customs in both France and the U.S. will waive or refund duty payments.

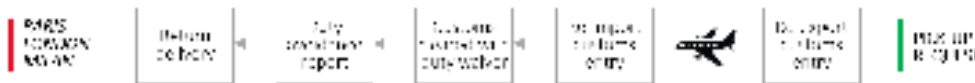
As soon as the brand submits a pickup request, Expeditors ensures the shipping documents contain the information required for transport, as well as to waive or reclaim customs duty upon return. The customs tariff codes required for importing each item are also validated at the time of booking. Taking advantage of the time difference between Europe and the U.S., Expeditors resolves documentation queries the same day items are picked up in Paris, London, or Milan. Expeditors’ New York office prepares the customs entry before the flight has taken off. Expeditors’ system then automatically submits the customs declaration when the flight lands in New York, Los Angeles or various other destinations. Expeditors avoids unnecessary delays in customs clearance through an unwavering focus on the accuracy and timeliness of every declaration submitted to Customs on behalf of the brand.

**PRESS SHIPMENTS PROCESS FLOW**

**OUTBOUND SHIPMENT**



**RETURN SHIPMENT**



Each export customs declaration and import customs declaration Expeditors submits lists the SKU (style) numbers separately. This level of detail and record keeping allows Expeditors and Customs authorities to match import and export declarations to:

1. Facilitate duty reclaims in the U.S. after re-export;
2. Avoid payment of import duty on items returned to France.

We track the success rate of reclaiming and avoiding duty for return shipments and the reasoning when we are unable to successfully reclaim or avoid the duty on behalf of the brand. The success rates, monetary amounts, and reasoning are reported to the brands at the end of each month.

## THE RESULTS

Multiple fashion brands within this leading group of luxury goods companies are benefitting from Expeditors' Fashion Critical Logistics Service. These benefits include:

- Direct flights for the shortest transit times
- World-class customer service for the marketing office and their public relations partners
- Comprehensive trade compliance program
- Increased operational control over their marketing samples operation and budget
- Enhanced visibility to shipments and associated costs
- Successfully avoiding over \$1 million in customs duty per annum

